PHSC plc

Building stronger foundations for sustainable progress

Annual Report 2026

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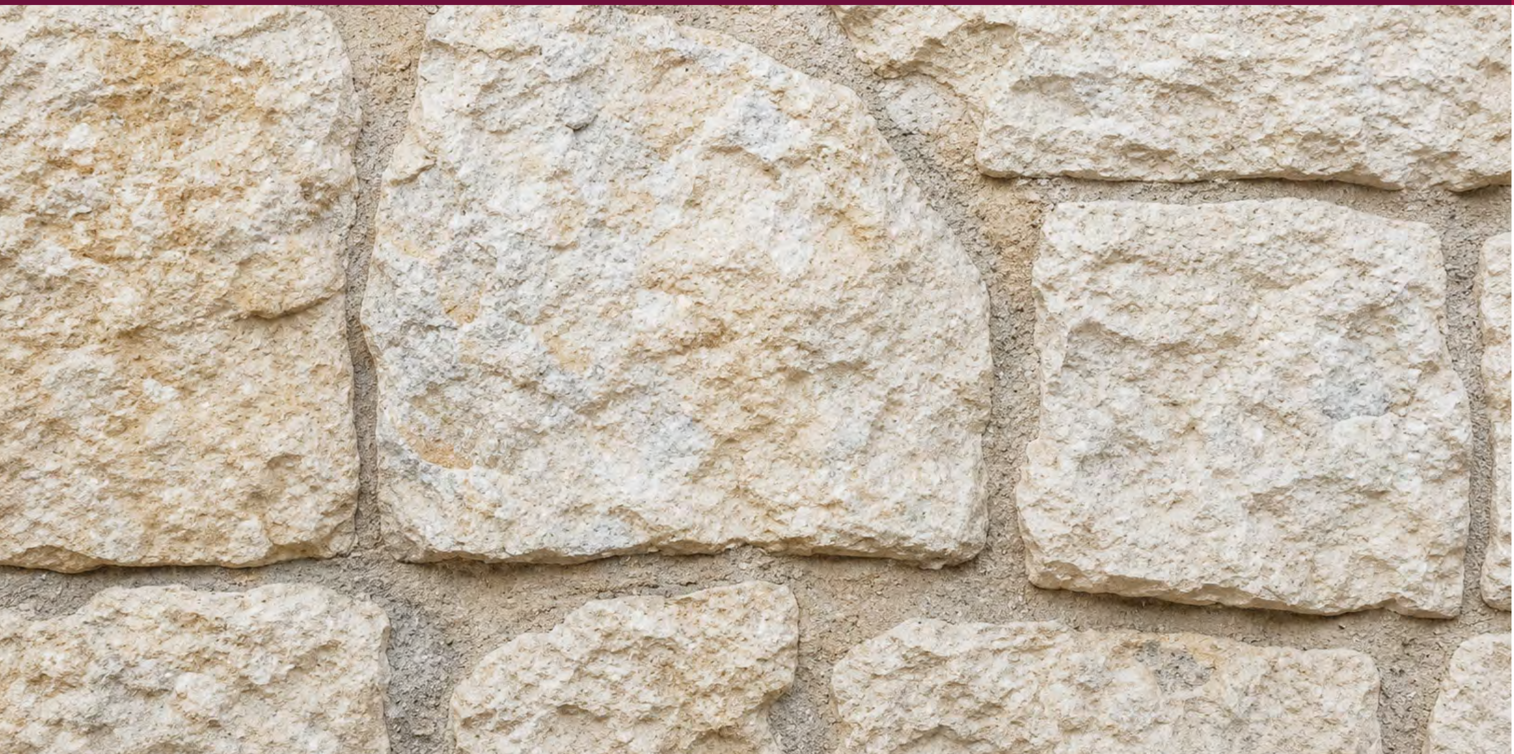


Chair's Statement

> PHSC continues to undergo a period of significant change as we modernise our systems and processes to build the strong foundations required for the next stage of development.

The past year has been one of transition for PHSC plc ("PHSC" or the "Company" and, together with its subsidiaries, the "Group") as we have considered the best way to take the Group forward to ensure that it is well-positioned for long-term growth and future value creation in light of the many changes and challenges which continue to affect all of its underlying businesses. Midway through the year the Group's executive leadership changed, with Nikki Porter joining us in October 2025 as CEO. We were pleased to welcome Nikki to the Board and look forward to developing the Group under her leadership. Nicola Coote, co-founder of the Group with Stephen King and who had been Acting CEO since his departure in January 2025, stepped down as Acting CEO and a director at that time, but remained employed by the Group until December 2025 to ensure an orderly handover. On behalf of the Board, I should like to thank Nicola for all of her hard work over many years with the Group, in particular in relation to the development and growth of its health and safety business. We wish her every success in her future endeavours.

As a Board we had been carefully considering the Group's strategy and this process continued - and accelerated - when Nikki joined us. We have had some very productive discussions about refining the business model and have used a Landing Zone methodology to set out our plans at Board level. This methodology enables the Group's goals to be cascaded throughout all levels of the organisation so that everyone knows what they need to do to contribute to its future success. Our first all-staff conference was held in January 2026, with the Board also present. This was a very constructive event during which the various teams learned more about the Group. This in turn should facilitate better use of shared resources and allow colleagues to maximise opportunities for cross selling as we move towards "One PHSC". More details can be found in the CEO's Review.

The financial results, in terms of trading, have begun to show early signs of progress. During the 2025/26 financial year we had a number of significant costs at plc level relating to restructuring of the business, which we do not expect to be repeated in the current financial year. We have also made provision for some intercompany balances relating to the security business which impact the results for PHSC only and our investment in RSA Environmental Health Limited (RSA) has been further impaired. The property at Raunds was sold, resulting in a one-off boost to income. Full details can be found in the Business Review section of the Strategic Report and in the notes to the accounts.

The Board has agreed some targeted investments, using the net proceeds from the sale of the surplus property at Raunds, in order to establish a sound technological base and streamline internal processes; to leverage our marketing efforts with new campaigns; to refresh the corporate website and to introduce some strategic partnerships, for example with the International Institute of Risk & Safety Management. These initiatives should all contribute to our growth agenda and the Board will monitor progress closely. We have made a good start but there is still some way to go as the new technology platforms are scoped out and then implemented.

The launch of our PHSC Academy to bring all of our training under one brand and administration team is an excellent example of everyone co-operating to improve the way we do things. This has been an exciting initiative, led by Audrey Smith (Head of Group Training), under the guidance of Nikki and Raymond Holt (Interim non-board CFO). Audrey is based in our Cumbernauld office, but the Academy offers public, in person courses nationwide as well as in-house and online.

Our staff have remained committed and enthusiastic, supporting Nikki with our transition and I should like to thank them all for their continuing dedication and hard work. I have really enjoyed meeting up with them all and getting to know them a little better over the past months. Our first customer survey provided some very encouraging feedback and demonstrates the great work which is already happening in many areas.

This year we conducted a board effectiveness review for the first time, details of which are included in the Corporate Governance Report on page 26. At the end of June 2026, the Board, with the interim CFO, held an offsite awayday where we considered our internal and external communications, including investor relations, and how we might develop these areas over the coming months. We also received a very informative third-party presentation on the current retail security market which should assist our efforts with our own business in this sector.

In addition, the Board has considered the KPIs it should use as we make changes to the way in which the business operates and what we should measure to ensure we remain on track towards our goal of achieving sustained growth. We will continue with the same financial KPIs as before, that is total Group revenues, earnings before interest, tax, depreciation and amortisation (EBITDA), pretax profitability at divisional level (before management charges) and cash. Staff turnover will also be retained as a KPI.

In addition, we currently intend to use the following as KPI's and will provide more information next year:

- Quality of earnings
- Client retention
- Staff utilisation (consultants and engineers)
- Pipeline visibility
- CRM adoption

PHSC continues to undergo a period of significant change as we modernise our systems and processes to build the strong foundations required for the next stage of development. As we progress with these initiatives, the Board will consider and develop the requisite milestones to meet our strategic plans and to achieve the growth the business is clearly capable of.

Given the outcome for the financial year under review and the need for ongoing targeted investment outlined above, the Board has decided not to recommend the payment of a final dividend. This follows the similar decision not to make a distribution at the half year stage. The Board will keep the Company's dividend policy under review going forwards and any decision to return to paying a dividend will ultimately depend on business performance once we have the building blocks in place for achieving sustainable growth and the availability of sufficient distributable reserves in PHSC.

Lorraine Young
Chair
30 July 2026

Chief Executive Officer's Review

I am pleased to present my first Review as Chief Executive Officer of PHSC, having joined the Group in October 2025.

FY26 was a year of transition, reset and early progress. It was not a year of full recovery, and the statutory financial results make clear that there is still work to be done. However, the year showed early signs of a positive change in direction. Group revenue returned to modest growth, second-half revenue was stronger than the first half and ahead of the comparable period in the prior year, while our Safety division delivered the clearest evidence of momentum.

My focus since joining has been to understand the Group's strengths, the areas where performance needs to improve, and the practical steps required to build a more resilient, connected and commercially focused PHSC. The Group has long-standing technical expertise, committed people and established client relationships. The opportunity now is to turn those strengths into more consistent performance and long-term value creation. We are building a stronger, more integrated PHSC, turning trusted expertise and resilient client relationships into sustainable long-term value.

"The Group has long-standing technical expertise, committed people and established client relationships. The opportunity now is to turn those strengths into more consistent performance and long-term value creation."

Financial performance

Group revenue for the year increased to £3.30m, compared with £3.22m in FY25, representing modest growth of 2.4%. Revenue in the second half was 10% ahead of the first half, which is encouraging as we continue to improve our commercial focus, planning and execution.

£3.30m
Group revenue

2.4%
Revenue growth

10%
H2 revenue increase versus H1

The Safety division delivered the strongest performance in the year, with revenue growth of 12.8%. This reflects the quality of its client relationships, the relevance of its services and continued demand for practical health and safety support. It also points to the early benefit of greater integration across the Group, including clearer collaboration across Safety, ISO Systems, Security and our PHSC Academy, and more effective use of technical expertise across consultancy, training and inspection services. A better understanding of the markets in which we operate should also help us align our services, specialist resource and client development activity more effectively. This progress was not consistent across all parts of the Group; the Security division, through B2BSG, had a difficult year and remains an area of focus for the Board.

PHSC is a people business. The knowledge, judgement and professionalism of our colleagues are central to the value we provide to clients.

However, the Group's profitability remained under pressure. Loss before tax was £383k, compared with £127k in the prior year, and EBITDA was £143k (loss). The statutory result reflects a combination of cost pressures, restructuring, and impairment. Restructuring and impairment are further explained on pages 56 and 51 to 52 respectively. While the revenue position improved, this has not yet translated into the level of profit conversion we need to achieve.

The Board is therefore focused on the quality of revenue growth, not just revenue growth itself. We need to develop more repeatable and recurring income streams, improve commercial execution and ensure that investment is targeted towards areas that support future performance.

Stronger commercial focus

A key priority has been to bring greater commercial alignment across the Group. That means clearer propositions, better pipeline visibility, more consistent pricing, more structured account planning and a sharper focus on sectors where PHSC has credibility and opportunity.

We have evidence of resilience in many client relationships. Client retention by value was 81%, and our first Group-wide client survey produced a Net Promoter Score of +63. These are encouraging indicators but they also highlight the opportunity to deepen relationships further and make it easier for clients to access the wider Group offer.

81%
Client retention by value

+63
Net Promoter Score

The next step is to turn these relationships into more consistent commercial outcomes. That includes increasing repeat and recurring work, making better use of client insight, improving follow-up activity and identifying where one part of the Group can support a client with additional services from another.

Building a more connected PHSC

One of the most important themes of the year has been the move towards a more connected Group. PHSC has a number of specialist businesses, each with its own technical strengths and client base. Historically, those businesses have often operated with a high degree of independence. That has benefits, but it can also limit the Group's ability to share knowledge, use resources effectively and present a clearer proposition to clients.

Our "One PHSC" approach is intended to preserve specialist expertise while creating better connection across the Group. During the year, we took early steps to improve shared planning, communication and collaboration. Our first all-staff conference brought colleagues together from across the Group and helped build a clearer understanding of our wider capabilities.

This is still at an early stage, but the direction is important. A more connected PHSC should be better placed to serve clients, develop its people, use systems more effectively and identify new opportunities for growth.

PHSC Academy

The launch of PHSC Academy was an important step in bringing our training activity together under a clearer and more coordinated proposition. Training is a natural area of strength for the Group, sitting alongside our consultancy, inspection and systems expertise.

Chief Executive Officer's Review
continued

The Academy gives us an opportunity to improve course visibility, administration, marketing and cross-Group coordination. It also provides a platform for future development, including public courses, in-house training, online delivery and specialist technical programmes.

There is more work to do to improve consistency across our training portfolio, but the Academy provides a clearer structure from which to build.

Systems, data and operational discipline

The Group has started to invest in the systems and processes needed to support better performance. These are foundational projects intended to strengthen the operating platform and support more consistent growth over time. This includes work on CRM, scheduling, website improvements, training administration and the use of data to support planning and decision making.

These investments will not deliver immediate change. That requires time, careful implementation and consistent adoption. However, they are important foundations for the next stage of PHSC's development and for building a stronger platform for sustainable growth.

Better systems should help us improve pipeline visibility, client follow-up, reporting and operational accountability. They should also make it easier for colleagues to work across the Group and for management to identify any issues earlier.

Our opportunity is to present and develop the Group's services more clearly, so that we are better aligned to the emerging needs of the markets in which we operate.

People and culture

PHSC is a people business. The knowledge, judgement and professionalism of our colleagues are central to the value we provide to clients. Since stepping into the role of CEO, I have been struck by the depth of technical expertise across the Group and by the commitment of colleagues who care about doing good work for our clients and for each other.

As we strengthen the business, culture will be an important part of our progress. I want PHSC to be a Group where colleagues are engaged in the direction of travel, feel able to contribute ideas and are supported to develop their skills, knowledge and confidence. This includes building stronger cross-Group relationships, sharing expertise more effectively and creating more opportunities for colleagues to learn from each other.

The Group's focus on stronger foundations is therefore not only about systems, data and processes. It is also about communication, collaboration, accountability and giving our teams the tools and support they need to do their best work.

I would like to thank all of our colleagues across PHSC for their commitment, professionalism and support during the year.

Outlook

The market environment remains challenging, and the Group still has work to do to improve profitability and consistency. However, FY26 has provided a clearer base from which to move forward.

Our opportunity is to present and develop the Group's services more clearly, so that we are better aligned to the emerging needs of the markets in which we operate. In FY27, our priorities will be to strengthen the quality of revenue, develop more recurring and repeatable income, improve pipeline visibility and continue building the systems, behaviours and cross-Group collaboration needed to support better execution.

The Board and management team are focused on building a stronger PHSC, with clearer priorities, better systems and more consistent execution. We will continue to invest carefully, manage costs responsibly and focus on the areas where the Group can create sustainable long-term value.

Nikki Porter
Chief Executive Officer
30 July 2026

PHSC at a glance

PHSC brings together specialist expertise across Safety, ISO Systems, Security and PHSC Academy.

PHSC is a specialist services group helping organisations manage risk, strengthen compliance and operate with greater confidence. Across Safety, ISO Systems, Security and PHSC Academy, our businesses provide practical expertise that helps clients protect their people, property, performance and reputation.

FY26 marked the start of a more focused and connected phase for PHSC. Revenue returned to modest growth, client relationships remained resilient and the Group began building stronger foundations for more consistent future performance.

Financial snapshot

Group revenue

£3.298m

Returned to modest growth following the FY25 reset.

Revenue growth

+2.4%

A positive movement in Group revenue year on year.

H2 revenue momentum

+10% versus H1

Stronger trading in the second half.

Safety division revenue growth

+12.8%

The clearest area of divisional progress in the year.

Client retention by value

81%

An encouraging indicator of resilient client relationships.

Cash at year end

£385k

A key measure of balance sheet resilience.

Profitability remained under pressure during the year, reflecting cost pressures, restructuring, investment activity and impairment. The priority now is to convert improving revenue momentum into stronger, more consistent performance.

Foundations for stronger performance

FY26 showed that PHSC has clear strengths to build from: trusted client relationships, valued technical expertise, improving forward visibility and early evidence of a more connected Group.

Creating client confidence

+63 NPS

Building relationships that last

81%
retention by value

Improving forward visibility

+36.8%
deferred revenue in our safety division

Putting One PHSC into action

Shared clients, delivery and opportunity

Investing in Systems for scale

CRM, scheduling, website and data analytics

Launching PHSC Academy

Bringing Group training together under a clearer proposition

Our businesses

PHSC brings together specialist expertise across Safety, ISO Systems, Security and PHSC Academy. As the Group becomes more connected, this breadth creates an opportunity to offer more joined-up support to clients.

Safety

Helps organisations create safer, more compliant workplaces through practical health and safety consultancy, occupational hygiene, statutory inspections and compliance support. Our work helps clients protect people, meet legal duties and manage risk with confidence.

ISO Systems

Supports organisations in building stronger management systems through ISO consultancy, auditing, training and certification-readiness support. We help clients improve governance, strengthen processes and demonstrate credibility to customers, regulators and stakeholders.

Security

Helps retailers and other organisations protect stock, reduce loss and make better operational decisions through product protection, CCTV, footfall counting and wider security support. Our services help clients reduce shrinkage, protect margin and respond more effectively to risk.

PHSC Academy

Brings together PHSC's training expertise across health and safety, ISO, compliance and professional development. The Academy helps clients build capability, improve confidence and access practical learning that supports safer, better-run organisations.

The year in summary

FY26 did not mark a full recovery, but it did mark a clearer step forward. Revenue returned to modest growth, trading strengthened in the second half and the Safety division delivered the strongest momentum. The opportunity now is to build from that progress by strengthening client relationships, developing more repeatable income and bringing the Group's expertise together in a clearer, more connected way.

Our strategy

Building a stronger, more connected PHSC

PHSC's strategy is focused on building stronger foundations for sustainable progress and long-term value creation.

The Group has established specialist businesses across Safety, ISO Systems, Security and PHSC Academy, with experienced people and long-standing client relationships. Our opportunity is to connect those strengths more effectively, improve the quality and visibility of revenue, and build a more consistent and connected PHSC.

This is not a strategy based on growth at any cost. It is focused on better-quality revenue, stronger client relationships, disciplined execution and careful investment in the systems and capabilities needed to support future performance.

The Landing Zone

The Landing Zone is the Group's strategic framework for moving from early progress to more consistent performance.

It connects strategy, planning, systems, people and execution, helping the business focus on the priorities that matter most.

The framework is built around four strategic priorities.

1 Market positioning

Clear focus on markets where PHSC can lead, differentiate and grow profitable share.

This means:

- clearer market focus
- better use of client and sector insight
- targeted activity in areas of opportunity

2 Value proposition and client engagement

Compelling offers that support clearer outcomes and deeper, longer-term client relationships.

This means:

- clearer client propositions
- stronger account planning
- deeper client relationships
- improved retention and repeat work

3 Verticals and channels

Targeted sectors and channels that scale our relevance and reach.

This means:

- targeted sector growth
- stronger marketing activity
- improved pipeline visibility
- better conversion of opportunities

4 Technology enablement

Modern systems and data that improve outcomes, visibility and efficiency.

This means:

- CRM adoption
- better scheduling and deployment
- stronger reporting and data
- improved client follow-up
- more efficient administration

How our strategy creates value

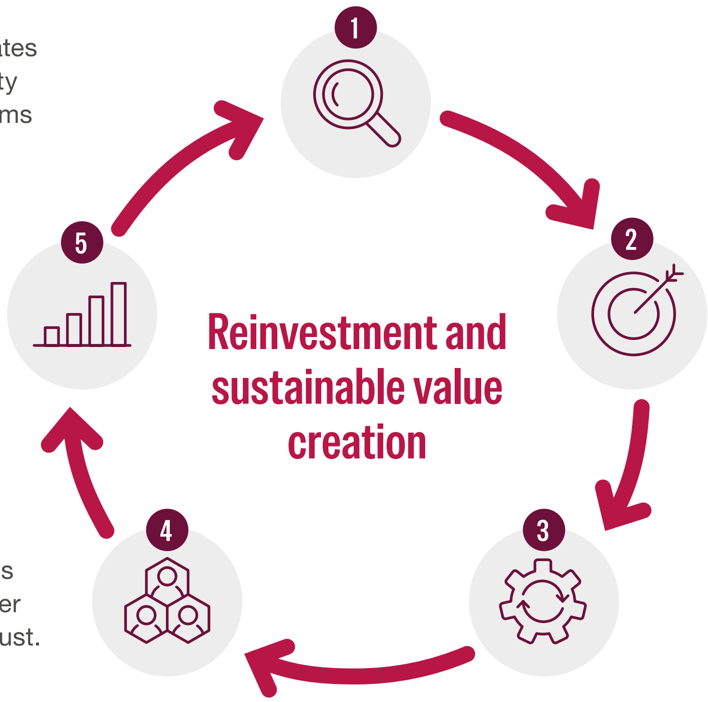
Our strategy is designed to create a virtuous cycle

Better understanding of market need

Better understanding of market need helps us focus on the areas where PHSC can be most relevant and valuable.

Clearer propositions

Clearer propositions make it easier for clients to understand how our services can support them.



Better delivery

Better delivery strengthens the client experience and improves consistency across the Group.

Stronger client relationships

Stronger client relationships support repeat work, deeper engagement and greater trust.

Better-quality revenue

Better-quality revenue creates the confidence and capacity to reinvest in people, systems and capability.

This is intended to create value for:

Clients

Clearer, more relevant services and more consistent delivery from trusted specialists.

Colleagues

Better tools, clearer priorities and more opportunities to develop.

Shareholders

A stronger, more resilient business with better-quality revenue and careful investment in the areas most likely to support long-term value creation.

The Group

A simpler, more connected operating model with stronger foundations for sustainable progress.

Measures of success

The Board will continue to monitor both financial and operational measures as the strategy moves from planning into execution. The operational measures are being developed and refined during FY27, with more fulsome reporting to be provided in next year's Annual Report.

Core Board measures include:

- Total revenue
- EBITDA
- Staff turnover
- Divisional profit before central management charges
- Cash

Operational measures include:

- Quality of revenue
- Client retention
- Utilisation and capacity
- Pipeline visibility
- CRM adoption

These measures are intended to provide a clearer view of progress, not only in terms of financial results, but also in relation to the underlying foundations needed to improve performance over time.

Strategic priorities for FY27

The Group's priorities for the year ahead are to:

- Improve the quality, visibility and repeatability of revenue
- Embed CRM and improve pipeline visibility
- Develop PHSC Academy as a clearer Group training proposition
- Continue improving cross-Group working
- Invest carefully in systems, marketing and capability
- Maintain a disciplined approach to cost and capital allocation

The Group's focus is not growth at any cost, but better-quality revenue, stronger foundations and long-term value creation.

Strategic Report

for the year ended 31 March 2026

Business Review

PHSC is a specialist services group working with organisations to help them manage risk, strengthen compliance and operate with greater confidence. Through our established specialist businesses, we combine practical technical expertise with long-term client relationships, supporting organisations in the protection of their people, property, performance and reputation.

The Group provides services across Safety, ISO Systems, Security and PHSC Academy, including health and safety consultancy, ISO systems support, security solutions, training, inspection and compliance services across a range of sectors. Our strategy is to connect those capabilities more effectively, improve the quality and visibility of revenue, and build stronger foundations for more consistent performance.

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 2026 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 CEO's Review as well as in this Strategic Report.

Financial Highlights

- Consolidated sales revenue of £3.30m compared with £3.22m in the prior year.
- EBITDA of £143,000 (loss) compared with £44,000 (profit) in the prior year.
- Non-recurring costs of £129,000 relating to Group restructure.
- Statutory loss after tax of £305,000 compared with a loss after tax of £126,000 in the prior year.
- Consolidated net assets of £2.72m compared with £3.02m in the prior year.
- Statutory loss per share of 2.97p compared with loss per share of 1.21p in the prior year.
- Cash reserves of £385,000 at the year-end compared with £435,000 in the prior year.
- No interim dividend was paid, and no final dividend is proposed.

	31.3.26 £	31.3.25 £
Loss before tax	**(383,191)**	(127,419)
Less: interest received	**(5,058)**	(17,170)
Add: goodwill impairment regarding QCS International Limited (QCS)	**–**	110,000
Add: goodwill impairment regarding RSA Environmental Health Limited (RSA)	**147,861**	–
Add: depreciation	**97,388**	78,441
EBITDA	**(143,000)**	43,852

While revenue returned to modest growth, profitability remained under pressure, reflecting cost pressures, investment activity, restructuring and impairment.

Our People and Culture

The ongoing success of the Group depends on the knowledge, judgement and professionalism of our people. PHSC is a specialist services business, and the quality of our client relationships is closely linked to the technical expertise, practical experience and commitment of our colleagues.

During the year, the Group continued to focus on building a more connected culture through clearer communication, greater collaboration across the Group and a stronger focus on shared client opportunities. Our "One PHSC" approach is intended to preserve specialist expertise within each business while making it easier for colleagues to work together, share knowledge and support clients with a broader range of services where appropriate.

The Group has also continued to invest in capability and development, including apprenticeship and NVQ programmes, professional development activity and specialist training. We have strengthened engagement with professional bodies, including the International Institute of Risk and Safety Management (IIRSM), and are developing our associate partner programme to broaden access to specialist expertise and provide greater flexibility in matching resource to client needs.

We will continue to focus on engagement, development, collaboration and clear accountability. The Board recognises that culture change is delivered through consistent actions over time, supported by the right tools, systems and leadership.

Principal Risks and Uncertainties

The Board considers the principal risks and uncertainties facing the Group on an ongoing basis. The risks set out below are those currently considered most relevant to the Group's business model; the list is not exhaustive, and other risks may arise or become more significant over time.

People

The Group's people are central to its success. PHSC relies on technical expertise, professional judgement and trusted client relationships. There is a shortage in some areas of qualified and experienced professionals, which creates recruitment, retention and succession risks.

The Group is focused on building a stronger and more resilient operating model. This includes investment in colleague development, clearer communication, strengthened HR support and a more structured approach to capability and performance.

The Group is also developing its associate partner programme to broaden access to specialist expertise and provide additional flexibility in matching resource to client needs. This is intended to reduce reliance on a small number of individuals, support delivery capacity and allow the Group to respond more effectively to changing client and regulatory requirements.

Technology

The Group is increasingly dependent on technology to support service delivery, client management, training, scheduling, marketing, administration and internal reporting. Failure to implement, adopt or maintain appropriate systems could reduce operational efficiency, weaken management information and limit the Group's ability to improve pipeline visibility, utilisation and client follow-up.

The Group is investing in systems and processes intended to improve visibility, reduce manual administration and support better planning and client service. These include CRM, scheduling, website and training administration improvements. The Board recognises that the benefits of technology investment depend on successful implementation, adoption, training and consistent use.

The Group also faces cyber, data protection and information security risks, including unauthorised access to systems, loss of data, phishing, business interruption and reputational damage. The increasing availability of artificial intelligence tools creates both opportunities and risks, particularly in relation to accuracy, confidentiality, data protection and the need to maintain appropriate professional judgement in client-facing work.

The Group's IT security policies, practices and processes are reviewed regularly, including by the Audit Committee, to ensure they remain appropriate as the cyber and data risk landscape evolves. Since the year end, staff have received cyber security awareness training, including guidance on protecting client information, avoiding email scams, understanding GDPR responsibilities and knowing when to pause and check. The Group's approach is to use technology to support efficiency and consistency, while maintaining appropriate professional oversight, review and accountability for client-facing work.

Training delivery is also affected by changing client preferences. The Group mitigates this risk by offering training through a range of delivery methods, including face-to-face, online and blended formats.

Regulatory and Marketplace

A significant proportion of the Group's work involves helping organisations understand and respond to regulatory, compliance and operational risk. Changes in regulation, enforcement priorities, client spending patterns or market expectations can therefore affect demand for the Group's services.

The Board continues to monitor the risk that any material reduction in regulatory requirements could reduce demand for some services. However, the wider marketplace is also becoming more complex, with organisations increasingly expected to address risks relating to health, safety, wellbeing, public safety, security, systems and operational resilience.

The Group mitigates this risk by maintaining a diversified range of services, investing in professional development and developing access to specialist capability through its employed teams and associate partner programme.

The Group's Security Division operates primarily in the retail sector, which continues to face structural and economic challenges, including changing consumer behaviour, pressure on physical retail and increased focus on theft, shrinkage and loss prevention. Any material deterioration in the retail sector or in the Security Division's client base could have a negative impact on the Group.

The Group seeks to mitigate this risk by maintaining strong client relationships, focusing on strategic loss prevention needs, developing relevant product solutions and supporting clients with wider technology-led approaches, including security tagging, surveillance, CCTV and customer-counting technology where appropriate. The Security Division also periodically reviews the value and profile of stock held in its warehouse as products and technology evolve.

The Group mitigates geographic and market reach risk through its national service capability, multiple operating locations, associate partner programme, digital marketing activity and the development of more structured client propositions.

Licences

The Group is reliant on licences, accreditations, professional standards and technical competence to carry out parts of 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 if remedied promptly. However, failure to remedy such a loss, or failure to maintain key licences, accreditations or professional standards, could have a material adverse effect on the relevant part of the Group's business.

The Group has internal processes in place to ensure that key licences and accreditations are maintained. The Group also supports continuing professional development and seeks to maintain appropriate relationships with professional and industry bodies to support technical awareness, credibility and access to developing good practice.

Geographical coverage

The Group provides services across the UK through its operating businesses and network of employed and associate resource. Some services are influenced by geographic proximity, local relationships and availability of suitably qualified people in particular regions, especially where clients require site-based consultancy, inspection or training support.

As the Group develops more structured propositions and stronger client relationships, it is seeking to improve consistency of service coverage and reduce reliance on purely local or ad hoc opportunities.

The Group mitigates this risk through its national service capability, multiple operating locations, associate partner programme, digital marketing activity and closer coordination of opportunities across the Group.

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 senior leadership team then provides 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, and a marketing strategy. 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 executive team 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 executive team and the 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 the 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 focussed on its customers. Communication takes many forms and is structured according to how each business interacts with its client base. Channels of communication include 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 Nikki Porter, 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.

Strategic Report
continued

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. Whilst the Group reported a net cash outflow from operating activities in the year, principally reflecting non-recurring costs of £129,593 and the underperformance in the Security Division, the Board is satisfied that the Group's existing cash reserves, augmented by the proceeds of the sale of the Group's property at Raunds in January 2026, provide sufficient resources for it to continue in operational existence for the foreseeable future. The Group also has a £50,000 overdraft facility, which is subject to review in October 2026. This facility is not expected to be relied upon as a primary source of funding but provides additional headroom should it be required. The directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

On behalf of the Board

Nikki Porter
Chief Executive Officer
30 July 2026

Report of the Directors

for the year ended 31 March 2026

The directors present their report with the audited financial statements of PHSC (Company and Group) for the year ended 31 March 2026.

Directors

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

L E Young
N S Porter* (appointed 13.10.25)
F H Moxon
N C Coote (resigned 10.10.25)

*The filings at Companies House are in the name of N S Samme, N S Porter's previous married name.

Dividends

No dividends were paid in respect of the financial year ended 31 March 2025. In light of underperformance in the first half of the financial year, the Group did not declare an interim dividend. No final dividend is being recommended in respect of the year ended 31 March 2026, with any return to the payment of dividends being dependent on business performance and further investment needs.

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 pages 44 and 45.

Share Capital

The issued share capital of the Company on 31 March 2026 was 10,280,853 ordinary shares of 10p each. There have been no changes to the share capital since the financial year end.

Substantial Shareholdings

As at 29 July 2026, 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 ordinary share capital
N C Coote	2,196,419	21.36
S A King	2,000,000	19.45
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 a.m. on 22 September 2026 at The Old Church, 31 Rochester Road, Aylesford, Kent ME20 7PR. The notice of meeting is set out on pages 77 to 80 of this document and a form of proxy is included on page 81.

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 CEO's Review contains information about the future outlook for the business.

On behalf of the Board

Shaun Zulafqar
For and on behalf of
Arch Law Limited
Secretary
30 July 2026

Statement of Directors' Responsibilities

for the year ended 31 March 2026

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.

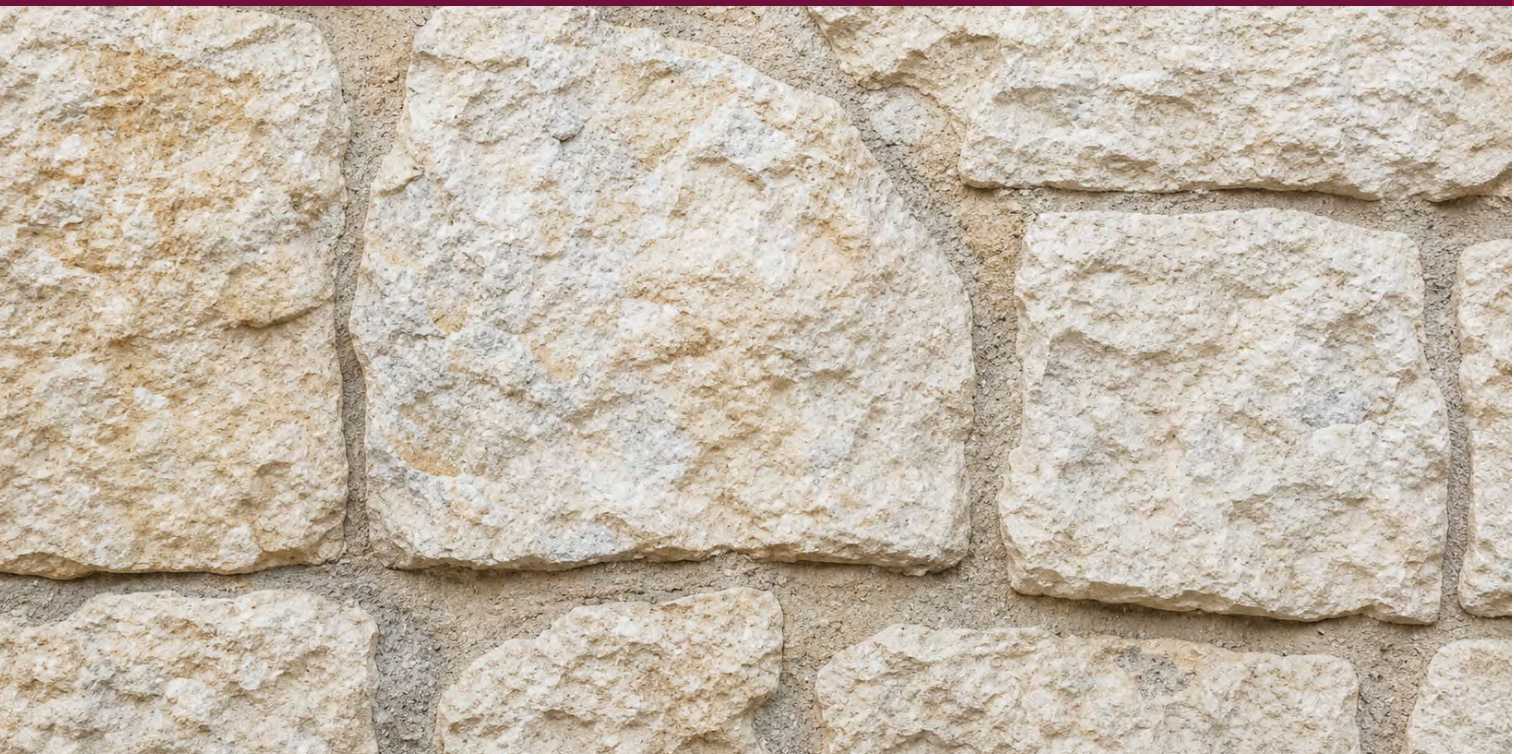
The maintenance and integrity of PHSC's website is the responsibility of the directors; the work carried out by the auditor does not involve the consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred in the accounts since they were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

Nikki Porter
Chief Executive Officer
30 July 2026

Corporate governance



Board of Directors

01

Lorraine Young

Non-Executive Chair

Remuneration Committee (Chair)
Audit Committee

Lorraine Young was appointed a non-executive director of PHSC in April 2016 and was appointed Chair of the Board in October 2024. She runs a board review, advisory and consultancy practice, as well as being an accredited mediator, and serves on the advisory board of Indigo Governance. Lorraine 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.

Lorraine is Master elect 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 a member and former Chair of the Audit Committee.

02

Nikki Porter

Chief Executive Officer

Executive Director

Nikki Porter joined PHSC as Chief Executive Officer in October 2025, bringing over 20 years of leadership experience across the health, safety and compliance sectors. Before joining PHSC, Nikki was Managing Director of Riskex Ltd, a UK-based SaaS company specialising in health and safety risk management software. During her tenure, she led the business through a period of sustained growth and product innovation, including the development of AI-enabled compliance tools and strategic partnerships that strengthened its market position.

Nikki's career spans both technology and consultancy environments, having also held senior positions in Alcumus Group and BSI Group, where she has built a reputation for combining commercial acumen with a deep commitment to health, safety and people-centred leadership. She supports cultures that empower teams to deliver excellence and helps organisations use technology to make workplaces safer, smarter and more sustainable. As CEO, Nikki is responsible for leading PHSC's group strategy, driving performance across its Systems, Safety and Security divisions, and ensuring the business continues to build on its strong foundations of quality, trust and client care.

Nikki is a Member of the International Institute of Risk and Safety Management (MIIRSM) and holds a number of professional certifications in leadership, safety and business management.

03

Frank Moxon
Non-Executive Director

Audit Committee (Chair)
Remuneration Committee

Frank Moxon was appointed a non-executive director of PHSC in October 2024. He has over 20 years' experience as a non-executive chair or non-executive director of private businesses and companies listed in London, Australia and Canada. He is currently senior independent director at Jersey Oil & Gas Plc and a non-executive director of Co-operatives UK Limited.

Frank spent his early career as 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. 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 a Chartered Honorary Fellow of the Chartered Institute for Securities & Investment.

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

Corporate Governance Report

for the year ended 31 March 2026

Decision making

PHSC has adopted the 2023 version of the QCA Corporate Governance Code (the Code) as a guide to good practice corporate governance for smaller listed companies. 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 there have been changes at board level and we have conducted our first Board effectiveness review, further details of which are included in this report. Although PHSC is a very small group, we are mindful of our environmental impact and we continue to pay attention to this.

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

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

With the changes to the senior leadership team and in particular the departure of the two founders of the business from the Board, we have taken the opportunity to review our strategy and future direction. The Board has now adopted a new business plan which includes a number of initiatives to improve business performance and deliver value to shareholders in a sustainable way. The Board has spent a lot of time discussing proposals from the senior leadership team and agreeing a way forward. Appropriate financial and non-financial KPIs have been agreed to monitor progress against the plan at each board meeting and board reporting has been reviewed to facilitate this. Alongside the business plan the Board has approved a budget to ensure sufficient financial and human resources are in place to deliver it. This includes some targeted investments to update internal systems, making them more efficient and to refresh our marketing and revenue generating activities. Further information on the Group's strategy, performance and outlook can be found within the Strategic Report on pages 12 to 16.

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 new business plan is implemented the Board will consider whether any update to the Group's values would be beneficial.

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 Nikki Porter are the principal contacts between PHSC and its shareholders, with the Chair focusing on governance matters and the 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. The Board is also considering its investor relations activities to determine whether any changes or new initiatives are desirable. If shareholders do not support the resolutions proposed by the Board at general meetings, the Chair engages with them to understand their reasons.

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 is dependent on 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 makes efforts to understand their needs, interests and expectations and seeks to ensure that actions affecting all stakeholders are consistent with the Company's values. The Company's section 172 statement, which describes how it engages with its stakeholders, is set out on pages 15 to 16.

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 all have the potential to affect its ability to deliver shareholder value over the medium to long-term. These matters are integrated into the Company's business plan 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 consider the risks facing the business and the internal controls in place to address these risks. Following the adoption of the new business plan, the Board is reviewing the key strategic risks to the business and the Group and will continue to monitor those on an ongoing basis. The Board considers risk in terms of both threats and opportunities and makes sure that the principal risks identified are within the Group's risk appetite.

The audit committee regularly reviews the Group wide risk register, noting any changes and discussing appropriate updates to the likelihood and impact of the risks and whether any further action should be taken to mitigate those. Internal controls are also a regular agenda item at the audit committee which considers their effectiveness and makes recommendations for any changes. Further details are contained in the audit committee report on pages 24 to 25. The Group's operations expose it to a variety of financial risks which are outlined in note 1 to the financial statements on pages 44 to 45. 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.

The Board, through the audit committee, ensures that the Company's external auditor is, and is seen to be, sufficiently independent of management. The audit committee considers the continuing independence of the external auditor and notes the level of non audit fees, including any audit related services, to ensure they remain at an acceptable level and do not compromise auditor independence. Separate advisers are used for tax compliance services.

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, Frank Moxon is a non-executive director, and Nikki Porter is the CEO, having been appointed to the Board on 13 October 2025 following the departure of Nicola Coote. Nicola served as Acting CEO from January 2025 and was one of the original founders of the business, serving on the Board from the outset. The Board considers that both of the NEDs are independent, and they do not receive any performance related remuneration. The Chair has been on the Board for 10 years, however the Board considers that she continues to make a valuable contribution to the Board and that her tenure does not hinder her ability to bring independent judgement to her role. This will be reviewed annually.

The Board continues to be supported by the interim CFO and the Group finance team in respect of its day-to-day financial management.

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 CEO is to deliver the strategy, along with the management team and the rest of the staff. Biographies of each of the directors are set out on pages 20 and 21 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 exposure to key business risks. It delegates day-to-day responsibility for managing the business to the CEO and management team.

Corporate Governance Report
continued

All directors are expected to commit sufficient time to fulfil their duties in that role. The time commitment normally required from a NED would be about two days each month and for the Chair about four days a month. The CEO is a full-time role.

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

	Board	Audit	Remuneration
L E Young	**7(7)**	4(4)	3(3)
N S Porter[1,3]	**3(3)**	2(0)	1(0)
F H Moxon	**7(7)**	4(4)	3(3)
N C Coote[2,3]	**4(4)**	2(0)	–

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

1 Nikki Porter was appointed to the Board on 13 October 2025.
2 Nicola Coote resigned from the Board on 10 October 2025.
3 Executive directors do not belong to the audit committee or remuneration committee, however they may be invited to attend meetings of those committees as and when appropriate. Executive directors do 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

The Chair discusses with each director any areas where they wish to develop their knowledge, skills or experience and agrees the best way to achieve this. A comprehensive induction programme was provided for Nikki Porter when she joined the Board so that she could familiarise herself with each area of the Group's business in a timely way and she met each member of the management team during the induction process. Following the board effectiveness review the Board will be arranging to have appropriate briefings and updates on the key business sectors in which the Group operates.

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 are reviewed annually 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 was chaired by Frank Moxon during the year, and its other member is Lorraine Young (both are non-executive directors).

The Committee formally met three times during 2026, linked both to events in the Company's financial calendar and to certain ad hoc matters. To encourage a greater understanding of and involvement in the work of the audit committee, the CEO and the CFO attended some of these meetings. The external audit partner also attended the two meetings held in connection with the Company's 2026 Report and Accounts.

Under the Committee's Terms of Reference, its main responsibilities include:

- Monitoring the independence and objectivity of the auditors,
- Reviewing and approving the external auditor's terms of engagement, scope of work, fees, the findings arising from the external audit work and external audit performance,
- Monitoring the integrity of the Group's published financial information, and
- Reviewing the risk identification and risk management processes of the Group.

The Committee's particular areas of focus during the year were:

- Review of the 2026 Annual Report,
- Review of the interim results for the six months ended 30 September 2025,
- Considering areas of significant judgement such as impairment of goodwill and investments, stock valuation, revenue recognition and the override of controls by management, and
- Review of the Group's cyber security arrangements.

Crowe U.K. LLP remain the external financial auditor of the Group.

Due to the current size of the business, it is not considered appropriate to have an internal audit function.

Remuneration committee

The remuneration committee comprises Lorraine Young (Chair) and Frank Moxon. The committee considers all aspects of the remuneration of the executive directors and the management team. 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. 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. There have been no changes to NED fees during the year.

	Short-term employee benefits						
	Salary	Ex gratia payment	Pension salary sacrifice	Benefits	Post employment benefits Pension	Year ended 31.3.26 Total	Year ended 31.3.25 Total
	£	£	£	£	£	£	£
N S Porter[1]	52,180	–	–	–	917	**53,097**	–
N C Coote[2,4]	70,947	30,000	(35,257)	3,196	37,039	**105,925**	102,176
S A King[3]	–	–	–	–	–	**–**	69,915

1 Nikki Porter was appointed to the Board on 13 October 2025.
2 Nicola Coote stood down from the Board on 10 October 2025 but remained employed until 7 December 2025.
3 Stephen King resigned from the Board with effect from 12 January 2025.
4 The benefits relate to health insurance.

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

	31.3.26 £	31.3.25 £
L E Young[1]	**25,000**	20,542
F H Moxon[2]	**20,000**	10,000
G N Webb[3]	**–**	9,777
Total	**45,000**	40,319

1 Lorraine Young became non-executive Chair on 15 October 2024.
2 Frank Moxon joined the Board on 1 October 2024.
3 Graham Webb stood down from the Board on 30 September 2024.

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

The Board has a mix of knowledge, skills, experience and personal qualities that help deliver the Group's strategy and the directors ensure that they keep themselves updated as appropriate. The Chair, who is a Chartered Governance Institute accredited board reviewer, considers board performance with the rest of the Board on an ongoing basis. Since the year end the Chair has led a board effectiveness review, covering the performance of the Board as a whole, its committees, the Chair, and individual directors. It was structured around an online questionnaire with follow-up discussions between the Chair and all directors, the Interim Chief Financial Officer and the Company Secretary. It covered the role and composition of the Board, succession planning, the conduct of Board meetings and the quality of supporting papers, the support available to directors, the Group's key stakeholder relationships, the operation of the Board's committees, the dynamic between executive and non-executive directors, how the Board works together as a team and its overall effectiveness.

A report was prepared on the findings of the review which was shared with the Board and discussed at its meeting in May 2026. The review report noted that the Board and the organisation have been through significant changes over the past 18 months. These changes have been challenging to navigate, but good progress has been made. Overall Board effectiveness was considered to be good, with shared commitment and a healthy dynamic. The Board agreed a number of recommended actions from the report, including a review of the board pack and processes, further consideration of how it engages with investors and other stakeholders and scheduling a Board awayday to provide additional time to reflect on several matters, such as market insights and succession planning across the Group. Progress against these actions will be monitored during the current year, and an externally facilitated evaluation will be considered in due course in line with the expectations of the QCA Code.

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 stage of development, the Board has determined that adopting a formal remuneration policy is not presently necessary or proportionate. The remuneration committee meets at least twice a year to discuss group-level salary arrangements and potential bonus awards for members of the management team, including the CEO. In doing so, the committee has regard to the Company's financial performance, market practice for comparable AIM-quoted companies of similar size, and the contribution and experience of the individuals concerned. None of the directors is involved in any decisions about their own remuneration, and the fees of the non-executive directors are determined by the Board without the relevant NED being present or involved in the decision. The Board recognises the importance of transparent compensation governance as the Company continues to evolve. Accordingly, the appropriateness of this approach will remain under review, and the Board is committed to reconsidering whether a formal remuneration policy should be adopted as the Company changes or if remuneration structures become more complex. Shareholders may engage with the committee on remuneration matters via the Chair.

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

The Board maintains a healthy dialogue with its key stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the Company. The Chair is proactive in this regard and is supported by the CEO, the rest of the Board and the Company's nominated adviser and broker. Shareholder engagement is described in further detail under Principles 3 and 4 of this statement, and stakeholder engagement is also addressed in the section 172 statement on pages 15 and 16 of this annual report.

The Company communicates with shareholders and other stakeholders through a number of channels, including the AGM, regulatory announcements via a Regulatory Information Service, the Company's website (www.phsc.plc.uk), the annual report and accounts, the half-year results announcement, and direct contact with the Company's nominated adviser and broker. Investor relations enquiries can be directed to the Chair, CEO or Company Secretary as appropriate. Details of the Company's registrars are set out on the inside back cover of the annual report and on the website. The results of voting at every general meeting are announced via a Regulatory Information Service and published on the Company's website.

At the 2025 AGM, all resolutions were put to a vote and the results published via a Regulatory Information Service. The Board notes that one special resolution did not receive the requisite 75% majority, with 42.92% of votes cast against. The Board takes shareholder voting outcomes seriously and, in line with QCA Code recommendations, has reflected on the reasons for this outcome and engaged with shareholders to understand their concerns. The resolution was the standard one to disapply pre-emption rights, however at the time of the last AGM, a major shareholder did not support this proposal due to concerns about potential dilution of their holding. The Board still considers it appropriate to seek this shareholder authority again this year because if the Company did require to raise funds in future, having the authority in place would enable this to be carried out in a more timely manner. Without the pre-existing authority, that process would be lengthened by the need to seek shareholder approval and such a delay may be detrimental to the interests of the Company. However, the Board acknowledges that certain shareholders may not have changed their views and that the resolution may similarly not be supported at this year's AGM.

On behalf of the Board

Shaun Zulafqar
For and on behalf of
Arch Law Limited
Secretary
30 July 2026

Independent Auditor's Report to the Shareholders of PHSC plc

for the year ended 31 March 2026

Opinion

We have audited the financial statements of PHSC plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 March 2026, which comprise:

- the Group statement of comprehensive income for the year ended 31 March 2026;
- the Group statement of financial position as at 31 March 2026;
- 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 2026;
- 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:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2026 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 2027. 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 cash generative overall across the forecast period. Our assessment included undertaking sensitivity analysis on these forecasts and we 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.

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 as a whole to be £33,000 (2025: £32,000), based on 1% of the Group's revenue. Materiality for the Parent Company financial statements as a whole was set at £32,500 (2025: £22,000) based on 1% of net assets at the planning stage and this was reviewed in light of the IFRS 9 adjustment at completion and was considered to remain appropriate but capped by the group materiality (2025: 5% 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 £23,100 (2025: £22,400) for the Group and £22,750 (2025: £15,400) 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 £1,650 (2025: £3,000). 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 significant risks identified at that time.

We performed an audit of the complete financial information of the consolidated and Parent Company financial information. The financial information of PHSC Plc, 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 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
Goodwill impairment As at 31 March 2026, the Group has goodwill balances totalling £1,857,184 allocated between the Group's Cash Generating Units (CGUs) as detailed in note 6 to the accounts. The market capitalisation is below the book value and the Group made a loss in the year. 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 and an understatement of the goodwill impairment charge will lead to an overstatement of profits and net assets. We therefore identified the impairment of goodwill as a significant risk.	Our audit work included, but was not restricted to: ▪ evaluating 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. ▪ evaluating 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 the discount rate applied in the model with the assistance of our internal valuation team. ▪ challenging management's forecasting through a comparison of budget to actual data and historical variance trends. ▪ ensuring that head office assets and central management costs were allocated to the CGU's on a reasonable and consistent basis. ▪ 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.

Key audit matter	How the scope of our audit addressed the key audit matter
Impairment of investments in subsidiaries The parent company holds investments in its subsidiaries totalling £1,616,168. 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 6. The market capitalisation is below the book value and the Group made a loss in the year. 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 (which consist of the individual subsidiary companies), 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). ▪ challenging the discount rate applied in the model with the assistance of our internal valuation team. ▪ 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
continued

Key audit matter	How the scope of our audit addressed the key audit matter
Recovery of intercompany balances At 31 March 2026, the Group has significant intercompany balances as detailed in the company accounts in note 7, which are material to the financial statements. The recoverability of these balances requires management to apply significant judgement and estimation. The Group assesses expected credit losses on trading balances in accordance with IFRS 9 but had not considered the intercompany balances. We identified a material issue with the recoverability of the intercompany balances during our audit work and given the amount of impairment and the impact it has on distributable reserves, it is considered a key audit matter.	Our audit work included, but was not restricted to: ▪ reviewing intercompany balances and assessing whether they are recoverable. ▪ evaluating and challenging management's assumptions used in the expected credit loss calculations, including the reasonableness of key inputs. ▪ assessing management's methodology for compliance with IFRS 9 and consistency with the Group's accounting policy. ▪ reviewing the related disclosures in the financial statements to ensure they are accurate and complete.

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 matter 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 18 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.

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:

- 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.

Independent Auditor's Report
continued

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
30 July 2026

Financial statements

Group Statement of Comprehensive Income

for the year ended 31 March 2026

	Notes	31.3.26 £	31.3.25 £
Revenue	27	**3,297,813**	3,220,165
Cost of sales	15	**(1,612,156)**	(1,545,752)
Gross profit		**1,685,657**	1,674,413
Administrative expenses	15	**(1,909,403)**	(1,709,002)
Goodwill impairment	6	**(147,861)**	(110,000)
Non-recurring expenses	16	**(129,593)**	–
Other income	17	**112,951**	–
Loss from operations		**(388,249)**	(144,589)
Finance income	18	**5,058**	17,170
Loss before taxation		**(383,191)**	(127,419)
Corporation tax credit	21	**77,838**	1,219
Loss for the year after tax attributable to owners of the parent		**(305,353)**	(126,200)
Other comprehensive income		**–**	–
Total comprehensive loss attributable to owners of the parent		**(305,353)**	(126,200)
Basic loss per share from continuing operations (p)	22	**(2.97p)**	(1.21p)

The accounting policies and notes on pages 40 to 61 form part of these financial statements.

Registered number: 4121793

Group Statement of Financial Position
as at 31 March 2026

	Note	31.3.26 £	31.3.25 £
Non-Current Assets			
Property, plant and equipment	5	**419,254**	507,098
Goodwill	6	**1,857,184**	2,005,045
Deferred tax asset	12	**21,932**	–
		2,298,370	2,512,143
Current Assets			
Stock	7	**174,931**	219,940
Trade and other receivables	8	**627,211**	584,014
Cash and cash equivalents	9	**385,342**	434,795
Current corporation tax receivable		**2,183**	2,091
		1,189,667	1,240,840
Total Assets		**3,488,037**	3,752,983
Current Liabilities			
Trade and other payables	10	**694,848**	573,834
Right of use lease liabilities	11	**35,466**	40,708
Current corporation tax payable		**–**	–
		730,314	614,542
Non-Current Liabilities			
Right of use lease liabilities	11	**42,310**	61,769
Deferred tax liabilities	12	**–**	55,906
		42,310	117,675
Total Liabilities		**772,624**	732,217
Net Assets		**2,715,413**	3,020,766
Capital and reserves attributable to equity holders of the Group			
Called up share capital	13	**1,028,088**	1,028,088
Share premium account	13	**1,916,017**	1,916,017
Capital redemption reserve		**583,266**	583,266
Merger relief reserve		**133,836**	133,836
Treasury shares		**–**	–
Retained earnings		**(945,794)**	(640,441)
		2,715,413	3,020,766

The financial statements were approved and authorised for issue by the Board of directors on 30 July 2026, and were signed on its behalf by

N Porter
Director

The accounting policies and notes on pages 40 to 61 form part of these financial statements.

Group Statement of Changes in Equity

for the year ended 31 March 2026

	Share Capital £	Share Premium £	Merger Relief Reserve £	Capital Redemption Reserve £	Treasury Shares £	Retained Earnings £	Total £
Balance at 1 April 2025	1,028,088	1,916,017	133,836	583,266	–	(640,441)	3,020,766
Loss for year attributable to equity holders	–	–	–	–	–	(305,353)	(305,353)
Balance at 31 March 2026	**1,028,088**	**1,916,017**	**133,836**	**583,266**	**–**	**(945,794)**	**2,715,413**
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

The accounting policies and notes on pages 40 to 61 form part of these financial statements.

Group Statement of Cash Flows

for the year ended 31 March 2026

	Note	31.3.26 £	31.3.25 £
Cash flows from operating activities:			
Cash generated from operations	I	**(167,329)**	198,806
Tax credit/(paid)		**8,001**	(79,156)
Net cash generated from operating activities		**(159,328)**	119,650
Cash flows from investing activities			
Purchase of property, plant and equipment		**(59,144)**	(15,399)
Proceeds from sale of property, plant and equipment		**188,662**	–
Interest received		**5,058**	17,170
Net cash from investing activities		**134,576**	1,771
Cash flows used in financing activities			
Payment of lease liabilities		**(24,701)**	(46,602)
Dividends paid to shareholders		**–**	(128,399)
Net cash used in financing activities		**(24,701)**	(175,001)
Net decrease in cash and cash equivalents		**(49,453)**	(53,580)
Cash and cash equivalents at beginning of year		**434,795**	488,375
Cash and cash equivalents at end of year		**385,342**	434,795

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 2026

	31.3.26 £	31.3.25 £
I. Cash (used by)/from operations		
(Loss)/profit from operations	**(388,249)**	(144,589)
Depreciation charge	**97,388**	78,441
Goodwill impairment	**147,861**	110,000
(Profit)/loss on sale of fixed assets	**(109,284)**	1,385
Decrease in stock	**45,009**	25,723
(Increase)/decrease in trade and other receivables	**(43,073)**	184,830
Increase/(decrease) in trade and other payables	**83,019**	(56,984)
Cash (used by)/from operations	**(167,329)**	198,806

Accounting Policies
for the year ended 31 March 2026

General information

PHSC 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 front of this annual report. The Group's head office is based in Aylesford, Kent, with additional premises in Scotland. The property in the Midlands was sold during the year due to consultants and administration staff increasingly working remotely or onsite at clients. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 12 to 16. 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 IFRS 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 16.

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 and all of its subsidiary undertakings made up to 31 March 2026.

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:

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.

Accounting Policies
continued

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 it 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 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.

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

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 in time 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 in time 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 2026

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 senior leadership team.

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 its 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 financial 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 2026				
Trade and other payables	**694,848**	**–**	**–**	**–**
Lease liabilities	**35,466**	**42,310**	**–**	**–**
At 31 March 2025				
Trade and other payables	573,834	–	–	–
Lease liabilities	40,708	61,769	–	–

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 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 2029 with the forecast performance for the third year, 2028/29, being assumed to continue into perpetuity. Full details are disclosed in note 6.

Deferred tax assets

Management reviews the carrying amount of the deferred tax asset at each reporting date. The asset is reduced to the extent that it is no longer considered probable that sufficient taxable profits will be available to enable all or part of the asset to be recovered. Conversely, additional deferred tax assets are recognised when it becomes probable that future taxable profits will allow previously unrecognised tax losses to be utilised. The recognition of deferred tax assets requires the use of estimates and judgement. Actual future taxable profits may differ from current forecasts, which could result in a material adjustment to the carrying amount of the deferred tax asset in future reporting periods. Full details are disclosed in note 12.

Provision for obsolete and slow-moving stock

Stock of £39,605 (2025: £29,960) 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:

1. Changes in technology rendering current stock technologically obsolete; and

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

Notes to the Financial Statements
continued

3. Segmental reporting

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

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 2026

	Revenue £'000	Profit on property sale £'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	**674**	**–**	**1**	**(116)**	**–**	**(116)**	**–**	**36**	**–**	
Health and safety division										
ISL	**353**	**–**	**17**	**57**	**–**	**57**	**(7)**	**(5)**	**–**	
PHSCL	**838**	**–**	**19**	**254**	**–**	**254**	**(48)**	**(1)**	**–**	
QLM	**403**	**–**	**8**	**152**	**–**	**152**	**(33)**	**1**	**–**	
RSA	**378**	**–**	**13**	**39**	**–**	**39**	**(4)**	**–**	**(148)**	
	1,972	**–**	**57**	**502**	**–**	**502**	**(92)**	**(5)**	**(148)**	
Quality systems division - QCS	**652**	**–**	**21**	**6**	**–**	**6**	**–**	**6**	**–**	
Holding company - *PHSC plc*	**–**	**113**	**18**	**(632)**	**5**	**(627)**	**92**	**41**		
Total	**3,298**	**113**	**97**	**(240)**	**5**	**(235)**	**–**	**78**	**(148)**	**(305)**

3. Segmental reporting continued

Year ended 31 March 2025

	Revenue £'000	Profit on property sale £'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)

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

As at 31 March 2026

	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	–	47	345	**392**	(57)	–	**(57)**	335
Health and safety division								
ISL	33	21	105	**126**	(90)	–	**(90)**	36
PHSCL	39	27	263	**290**	(139)	(8)	**(147)**	143
QLM	1	12	98	**110**	(100)	–	**(100)**	10
RSA	5	294	62	**356**	(79)	–	**(79)**	277
	78	354	528	**882**	(408)	(8)	**(416)**	466
Quality systems division - QCS	2	65	179	**244**	(190)	(34)	**(224)**	20
Holding company - PHSC plc	17	1,879	137	**2,016**	(75)	–	**(75)**	1,941
Sub-total	97	2,345	1,189	**3,534**	(730)	(42)	**(772)**	2,762
Consolidation adjustments								
To goodwill	–	(42)	–	**(42)**	–	–	**–**	(42)
To deferred tax	–	(5)	–	**(5)**	–	–	**–**	(5)
Total	97	2,298	1,189	**3,487**	(730)	(42)	**(772)**	2,715

3. Segmental reporting continued

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	7	415	**422**	(91)	7	**(84)**	338
Health and safety division								
ISL	–	11	77	**88**	(88)	(1)	**(89)**	(1)
PHSCL	4	12	180	**192**	(69)	(2)	**(71)**	121
QLM	3	31	99	**130**	(96)	(10)	**(106)**	24
RSA	1	451	93	**544**	(71)	(9)	**(80)**	464
	8	505	449	**954**	(324)	(22)	**(346)**	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	3,038	1,240	**4,278**	(614)	(112)	**(726)**	3,552
Consolidation adjustments								
To goodwill	–	(526)	–	**(526)**	–	–	**–**	(526)
To deferred tax	–	–	–	**–**	–	(5)	**(5)**	(5)
Total	85	2,512	1,240	**3,752**	(614)	(117)	**(731)**	3,021

4. Auditor's remuneration

	31.3.26 £	31.3.25 £
Audit		
Fees payable to the Company's auditor for the audit of the annual parent Company and consolidated accounts	**75,000**	64,000
Total audit	**75,000**	64,000
Tax		
Tax compliance services	**–**	–
iXBRL tagging services	**–**	2,500
Total tax	**–**	2,500
Total	**75,000**	66,500

5. Property, plant and equipment

	Freehold property £	Improvements to property £	Fixtures and equipment £	Motor vehicles £	Right of use assets £	Totals £
COST						
At 1 April 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
Additions	–	1,854	36,997	20,293	37,995	97,139
Disposals	(122,000)	–	(36,995)	–	(35,817)	(194,812)
At 31 March 2026	**449,270**	**101,986**	**120,641**	**49,792**	**292,598**	**1,014,287**
DEPRECIATION						
At 1 April 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
Charge for year	7,618	10,075	15,994	9,221	54,480	97,388
Disposals	(46,370)	–	(33,246)	–	(27,601)	(107,217)
At 31 March 2026	**193,342**	**90,696**	**74,047**	**22,127**	**214,821**	**595,033**
NET BOOK VALUE						
At 31 March 2026	**255,928**	**11,290**	**46,594**	**27,665**	**77,777**	**419,254**
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

Depreciation expenses of £97,388 (2025: £78,441) are included in administrative expenses in the statement of comprehensive income.

The net book value of right of use assets includes £47,663 (2025: £61,612) in relation to short-term lease hold property and £30,114 (2025: £40,866) in relation to motor vehicles.

6. Goodwill

	£
COST	
At 1 April 2024 and 2025	5,514,547
Additions	–
At 31 March 2025 and 2026	**5,514,547**
IMPAIRMENT	
At 1 April 2024	3,399,502
Impairment	110,000
At 31 March 2025	3,509,502
Impairment	147,861
At 31 March 2026	**3,657,363**
NET BOOK VALUE	
At 31 March 2026	**1,857,184**
At 31 March 2025	2,005,045
At 31 March 2024	2,115,045

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:

	31.3.26 £	31.3.25 £
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**	307,638
Quality Leisure Management Limited	**582,844**	582,844
RSA Environmental Health Limited	**283,783**	431,644
Total goodwill for Group	**1,857,184**	2,005,045

Notes to the Financial Statements
continued

The Board is required to annually assess the value of goodwill in the Group statement of financial position. The directors have estimated the value-in-use of goodwill by discounting estimated future cash flows in accordance with IAS 36. Management have prepared forecasts for 2026-27 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. A growth factor of 2% has been applied to the third year, 2028-29 which is assumed to continue into perpetuity. The impairment 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 an appropriate recharge of the central costs borne by PHSC. They have been discounted using a post-tax discount rate of 15% (2025: 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 RSA, the company contributed a profit of £34,816 to the Group for the year ended 31 March 2026, but the level of profits anticipated in the next three years is insufficient to produce the cash flows necessary to support a goodwill value of £431,644 and an investment value of £382,876. For this reason, it has been deemed necessary to write down the goodwill value of RSA by £147,861 in the consolidated financial statements and the investment value by £382,876 in the PHSC Company financial statements. In the previous year, the goodwill value of QCS was written down by £110,000 in the consolidated financial statements and the investment value by £120,000 in PHSC. 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 10% reduction in revenue and an increase of 2% to the discount rate would result in additional impairment charges as follows:

	Reduction in cash flows of 10% £	Increase in discount rate of 2% £
RSA Environmental Health Limited	33,863	35,575

7. Stock

	31.3.26 £	31.3.25 £
Stock of finished goods	**174,931**	219,940

£39,605 of stock was provided for in the current year (2025: £29,960). The value of stock consumed and recognised as an expense was £310,352 (2025: £356,330).

8. Trade and other receivables

	31.3.26 £	31.3.25 £
Trade receivables	**534,611**	511,056
Less provision for impairment of trade receivables	**(5,450)**	(1,090)
Trade receivables (net)	**529,161**	509,966
Other debtors and prepayments	**98,050**	74,048
Total	**627,211**	584,014

At 31 March 2026 there were £5,450 of impaired trade receivables (2025: £1,090).

The ageing of receivables is as follows:

	31.3.26 £	31.3.25 £
Up to 3 months	**498,175**	470,657
3 to 6 months	**20,972**	14,123
Over 6 months	**10,014**	25,186
	529,161	509,966

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

	31.3.26 £	31.3.25 £
At 1 April 2025	**1,090**	–
Increase in provision	**4,360**	1,090
At 31 March 2026	**5,450**	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 within the Group accounts but within the PHSC Company accounts an expected credit loss provision has been necessary in respect of the amounts owed by group undertakings. This is detailed in note 7 on page 71.

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:

	31.3.26 £	31.3.25 £
Cash at bank and in hand	**385,342**	434,795

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

10. Trade and other payables

	31.3.26 £	31.3.25 £
Trade payables	**136,056**	122,688
Social security and other taxes	**163,533**	148,177
Other payables	**6,639**	11,211
Accruals	**96,746**	78,343
Contract liabilities	**291,874**	213,415
Total	**694,848**	573,834

11. Leases

	Land & Buildings £	Motor Vehicles £	Total £
Year ended 31 March 2026			
Amounts due within 1 year - right of use lease liabilities	13,950	21,516	**35,466**
Amounts due within 1-2 years - right of use lease liabilities	13,950	8,597	**22,547**
Amounts due within 2-5 years - right of use lease liabilities	19,763	–	**19,763**
Total	47,663	30,113	**77,776**

	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

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 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**
Credited to income statement	81,613	–	897	**82,510**
At 31 March 2026	83,630	–	7,781	**91,411**

	Provision for revalued properties £	**Accelerated capital allowances £**	**Intangible assets £**	**Total £**
Deferred tax liabilities				
At 1 April 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**
Charged/(credited) to income statement	11,036	17,188	(23,552)	**4,672**
At 31 March 2026	45,984	23,495	–	**69,479**

Deferred tax has been provided at 25% (2025: 25%).

The Group has recognised a deferred tax asset in respect of unused tax losses carried forward as it is considered probable that sufficient future taxable profits will be available against which the losses can be utilised, in accordance with IAS 12. The recognised deferred tax asset reflects an assessment of the future recoverability of these tax losses, based on the Group's forecast taxable profits, and the expected timing of the reversal of taxable temporary differences.

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 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 and 2026	10,280,853	1,028,088	1,916,017	**2,944,105**

Notes to the Financial Statements
continued

14. Financial liabilities

On 1 October 2008, PHSC 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 2026.

15. Expenses by nature

	31.3.26 £	31.3.25 £
Direct costs	**701,712**	672,981
Staff related costs	**1,872,427**	1,767,651
Premises costs	**78,071**	80,773
Professional fees	**455,304**	275,995
Other expenses	**446,250**	378,913
Depreciation	**97,388**	78,441
Impairment	**147,861**	110,000
Total	**3,799,013**	3,364,754
Cost of sales	**1,612,156**	1,545,752
Administrative expenses	**1,909,403**	1,819,002
Goodwill impairment	**147,861**	110,000
Non-recurring expenses	**129,593**	–
Total	**3,799,013**	3,364,754

16. Non-recurring expenses

During the year, PHSC incurred certain non-recurring, material costs which, in the directors' judgement, are not representative of the Company's underlying operating performance for the period due to their size and nature. Accordingly, these costs have been presented separately within the statement of comprehensive income to assist users' understanding of the financial performance of the Group.

The non-recurring costs relate to the changes in the board of directors which occurred during the year.

	31.3.26 £	31.3.25 £
Board reorganisation costs	**113,470**	–
Legal and professional costs	**16,123**	–
	129,593	–

17. Other income

	31.3.26 £	31.3.25 £
Profit on disposal of freehold property	**112,951**	–

During the year, PHSC disposed of a freehold property that was no longer required for operational purposes. The transaction resulted in a profit on disposal of £112,951, representing the difference between the net sale proceeds and the carrying amount of the property at the date of disposal, after taking account of directly attributable costs of disposal.

18. Finance income

	31.3.26 £	31.3.25 £
Bank interest receivable	**5,023**	17,170

19. Employees

Staff costs (including executive directors)

	31.3.26 £	31.3.25 £
Wages and salaries	**1,559,311**	1,481,815
Social security costs	**188,299**	155,562
Other pension costs	**90,738**	95,332
	1,838,348	1,732,709

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

Directors of PHSC plc and subsidiary companies	**6**	7
Consultants	**16**	17
Administrative	**17**	15
Total	**39**	39

The aggregate compensation for key management, being the members of the Board of PHSC and the directors of the subsidiary companies, was as follows:

	31.3.26 £	31.3.25 £
Short-term employee benefits	**408,038**	414,646
Post-employment benefits	**52,739**	70,862
Total	**460,777**	485,508

Notes to the Financial Statements
continued

20. Directors' remuneration

Directors of PHSC only

	31.3.26 £	31.3.25 £
Emoluments	**160,843**	164,850
Pension contributions to money purchase schemes	**38,644**	46,795
Total	**199,487**	211,645

The remuneration of the executive directors of PHSC, from all Group companies, is set out in the Corporate Governance Report on page 25.

21. Taxation

Analysis of tax credit in the year

	31.3.26 £	31.3.25 £
Current tax:		
UK corporation tax credit on loss in the year	**–**	(2,007)
Adjustments in respect of previous year	**–**	(198)
Total current tax credit	**–**	(2,205)
Deferred tax:		
Origination and reversal of temporary differences	**(77,838)**	986
Total deferred tax (credit)/charge	**(77,838)**	986
Tax credit on loss on ordinary activities	**(77,838)**	(1,219)

Reconciliation of tax on ordinary activities

The relationship between expected tax expense based on the effective tax rate of PHSC at 25% (2025: 25%) and the tax expense recognised in the income statement can be reconciled as follows:

21. Taxation continued

	31.3.26 £	31.3.25 £
Reconciliation of tax on ordinary activities		
Loss before tax	**(383,191)**	(127,419)
Tax on loss on ordinary activities at standard rate of corporation tax of 25% (2025: 25%)	**(95,798)**	(31,855)
Effects of:		
Depreciation on non-qualifying assets	**3,181**	2,210
Expenses not deductible for tax purposes	**39,828**	28,490
Adjustment to tax in respect of previous periods	**–**	(198)
Fixed asset differences	**(25,049)**	237
Marginal relief	**–**	(103)
Total tax credit	**(77,838)**	(1,219)

22. Loss per share

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

	31.3.26	31.3.25
Loss attributable to equity holders of the Group (£)	**(305,353)**	(126,200)
Weighted average number of ordinary shares in issue	**10,280,853**	10,429,466
Basic loss per share (pence per share)	**(2.97p)**	(1.21p)

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

23. Dividends

There were no dividends paid in respect of the year ended 31 March 2025. There was no interim dividend paid in respect of the year ended 31 March 2026 and no final dividend is proposed, with any return to the payment of dividends dependent on business performance and future investment needs.

Notes to the Financial Statements
continued

24. Related party disclosures

PHSC plc dividends paid to directors

	31.3.26 £	31.3.25 £
N C Coote	–	27,455
S A King	–	24,603
G N Webb MBE	–	244
	–	52,302

25. Ultimate controlling party

There is no ultimate controlling party of PHSC.

26. Financial instruments

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

	31.3.26 £	31.3.25 £
Financial assets at amortised cost		
Trade and other receivables	**627,211**	584,014
Cash and cash equivalents	**385,342**	434,795
	1,012,553	1,018,809
Financial liabilities at amortised cost		
Trade and other payables	**694,848**	573,834
	694,848	573,834
Due within 1 year	**694,848**	573,834
Due in over 1 year	**–**	–
	694,848	573,834

27. Revenue

Set out below is a breakdown of revenue:

	31.3.26 £	31.3.25 £
Health and safety services	**1,971,224**	1,747,911
Quality systems services	**652,187**	735,156
Security related products	**674,402**	737,098
	3,297,813	3,220,165

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

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

	31.3.26 £	31.3.25 £
Receivables which are included in 'trade and other receivables'	**504,925**	509,966
Contract assets	**–**	–
Contract liabilities	**291,874**	213,415

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:

	31.3.26 £	31.3.25 £
Revenue deferred into future periods	**(291,874)**	(213,415)
Revenue accrued in current period	**–**	–
Deferred revenue recognised in the period	**213,415**	229,342

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.

Company Statement of Financial Position
as at 31 March 2026

	Note	31.3.26 £	31.3.25 £
Non–Current Assets			
Property, plant and equipment	5	**270,301**	347,734
Investments	6	**1,616,168**	2,097,388
		1,886,469	2,445,122
Current Assets			
Trade and other receivables	7	**1,050,278**	1,232,048
Cash and cash equivalents	8	**103,257**	204,326
Corporation tax receivable		**2,181**	2,091
		1,155,716	1,438,465
Total Assets		**3,042,185**	3,883,587
Current Liabilities			
Trade and other payables	9	**186,674**	171,060
		186,674	171,060
Non-Current Liabilities			
Deferred taxation	10	**6,586**	47,026
		6,586	47,026
Total Liabilities		**193,260**	218,086
Net Assets		**2,848,925**	3,665,501
Capital and reserves attributable to equity holders of the Group			
Called up share capital	11	**1,028,088**	1,028,088
Share premium account	11	**1,916,017**	1,916,017
Capital redemption reserve		**583,266**	583,266
Merger relief reserve		**133,836**	133,836
Retained earnings		**(812,282)**	4,294
		2,848,925	3,665,501

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 loss for the year was £816,576 (2025: profit of £368,087).

Approved and authorised for issue by the Board on 30 July 2026 and signed on its behalf by:

N S Porter
Director

Company Statement of Changes in Equity
as at 31 March 2026

	Share Capital £	Share Premium £	Merger Relief Reserve £	Capital Redemption Reserve £	Treasury Shares £	Retained Earnings £	Total £
Balance at 1 April 2025	1,028,088	1,916,017	133,836	583,266	–	4,294	3,665,501
Loss for year attributable to equity holders	–	–	–	–	–	(816,576)	(816,576)
Balance at 31 March 2026	**1,028,088**	**1,916,017**	**133,836**	**583,266**	**–**	**(812,282)**	**2,848,925**
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

Company Statement of Cash Flows
for the year ended 31 March 2026

	Note	31.3.26 £	31.3.25 £
Cash flows (used by)/from operating activities:			
Cash (used by)/from operations	I	**(369,441)**	15,644
Group tax relief receipt		**91,617**	69,725
Net cash (used by)/from operating activities		**(277,824)**	85,369
Cash flows from investing activities			
Purchase of property, plant and equipment		**(16,694)**	(166)
Disposal of property, plant and equipment		**188,550**	–
Interest received		**4,899**	17,170
Net cash from investing activities		**176,755**	17,004
Cash flows used by financing activities			
Dividends paid to Group shareholders		**–**	(128,399)
Net cash used by financing activities		**–**	(128,399)
Net decrease in cash and cash equivalents		**(101,069)**	(26,026)
Cash and cash equivalents at beginning of year		**204,326**	230,352
Cash and cash equivalents at year end		**103,257**	204,326

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 2026

	31.3.26 £	31.3.25 £
I. Cash from operations		
Loss before taxation and interest	**(1,253,622)**	(436,587)
Depreciation charge	**17,686**	12,835
(Profit)/loss on sale of fixed assets	**(112,109)**	198
Investment impairment	**481,220**	120,000
Dividends from subsidiaries	**300,000**	715,000
Decrease/(increase) in trade and other receivables	**181,770**	(366,630)
Increase/(decrease) in trade and other payables	**15,614**	(29,172)
Cash (used by)/from operations	**(369,441)**	15,644

Accounting Policies
for the year ended 31 March 2026

Basis of preparation of financial statements

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 1.

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 (2026: £300,000; 2025: £715,000) was £1,116,576 (2025: loss of £346,913). 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 16.

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.

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:

Accounting Policies
continued

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.

Impairment of loans to subsidiary undertakings
Loans to subsidiary undertakings are held to collect contractual cash flows and are measured at amortised cost, less any allowance for expected credit losses. Where credit risk has not increased significantly since initial recognition, the loss allowance is measured at 12-month expected credit losses; where it has increased significantly, or the loan is credit-impaired, the allowance is measured at lifetime expected credit losses. Expected credit losses are measured as the difference between the gross carrying amount and the present value of estimated recoverable cash flows.

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
for the year ended 31 March 2026

1. Critical accounting estimates and judgements

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

Impairment of investments

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 2026-27 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. A growth factor of 2% has been applied to the third year, 2028-29 which is assumed to continue into perpetuity. The impairment 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 an appropriate recharge of the central costs borne by PHSC. They have been discounted using a post-tax discount rate of 15% (2025: 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.

Impairment of loans to subsidiary undertakings

Measuring the expected credit loss allowance on loans to subsidiary undertakings of £320,048 (2025: £nil) as detailed in note 7 involves significant judgement. The recoverable amount is estimated using a discounted cash flow of each subsidiary's probability-weighted forecast cash flows; the principal judgements are those forecasts, the probabilities weighting them, and the discount rate, which has been derived from the Group's weighted average cost of capital. The allowance is most sensitive to the forecast cash flows and the discount rate. Reasonably possible changes, a reduction in forecast recoveries or an increase in the discount rate, could increase it, while more favourable outcomes could reduce it.

Deferred tax assets

Management reviews the carrying amount of the deferred tax asset at each reporting date. The asset is reduced to the extent that it is no longer considered probable that sufficient taxable profits will be available to enable all or part of the asset to be recovered. Conversely, additional deferred tax assets are recognised when it becomes probable that future taxable profits will allow previously unrecognised tax losses to be utilised. The recognition of deferred tax assets requires the use of estimates and judgement. Actual future taxable profits may differ from current forecasts, which could result in a material adjustment to the carrying amount of the deferred tax asset in future reporting periods.

2. Directors' Remuneration

Full details are given on pages 25 and 58 of the Group accounts.

Notes to the Financial Statements
continued

3. Staff costs

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

	31.3.26	31.3.25
Directors	**3**	4
Consultants	**1**	1
Administration	**3**	3
	7	8

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	**212,575**	189,770
Severance payment	**30,000**	–
Social security costs	**21,158**	21,894
Other pension costs	**44,021**	20,162
	307,754	231,826

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

4. Auditor's remuneration

Full details are given on page 49 of the Group accounts.

5. Tangible fixed assets

	Freehold land and buildings £	Freehold improvements £	Fixtures and equipment £	Totals £
COST				
At 1 April 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
Additions	–	–	16,694	16,694
Disposals	(122,000)	–	(8,169)	(130,169)
At 31 March 2026	**319,908**	**42,814**	**28,097**	**390,819**
DEPRECIATION				
At 1 April 2024	93,894	35,082	15,176	144,152
Charge for year	8,838	2,742	1,255	12,835
Depreciation disposals	–	–	(427)	(427)
At 31 March 2025	102,732	37,824	16,004	156,560
Charge for year	7,618	4,990	5,078	17,686
Depreciation on disposals	(46,370)	–	(7,358)	(53,728)
At 31 March 2026	**63,980**	**42,814**	**13,724**	**120,518**
NET BOOK VALUE				
At 31 March 2026	**255,928**	**–**	**14,373**	**270,301**
At 31 March 2025	339,176	4,990	3,568	347,734
At 31 March 2024	348,014	7,732	4,855	360,601

Notes to the Financial Statements
continued

6. Investment in subsidiary undertakings

Investment in shares of subsidiary undertakings

	31.3.26 £	31.3.25 £
At 1 April 2025	**2,097,388**	2,217,388
Impairment of investment in QCS	**(98,344)**	(120,000)
Impairment of investment in RSA	**(382,876)**	–
At 31 March 2026	**1,616,168**	2,097,388

The Board is required to annually assess the value of investments in subsidiary undertakings in the Company statement of financial position. As detailed on page 52 of the Group accounts, the Board determined that it must write down the investment value of RSA by £382,876. In addition to this, in PHSC's Company financial statements it was necessary to write down the investment value of QCS by £98,344. 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

6. Investment in subsidiary undertakings continued

For the year ended 31 March 2026, 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 2026.

7. Trade and other receivables

	31.3.26 £	31.3.25 £
Amount owed by subsidiary undertakings[1]	**1,013,101**	1,199,952
Other debtors and prepayments	**37,177**	32,096
	1,050,278	1,232,048

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. The loans comprise interest-free funding provided to wholly owned subsidiaries. They are not repayable on demand, are not quoted in an active market, and are measured at amortised cost.

Management have determined an increase in credit risk and so the lifetime ECL has been recalculated. During the year the Company recognised an expected credit loss allowance for the first time, of £320,048 (2025: £nil), on certain loans assessed as credit impaired. The allowance is a lifetime expected credit loss, measured as the shortfall of the present value of each subsidiary's probability-weighted forecast cash flows, discounted at a rate derived from the Group's weighted average cost of capital, against the gross carrying amount.

	31.3.26 £	31.3.25 £
Amounts owed by subsidiary undertakings[1]	**1,333,149**	1,199,952
Expected credit loss allowance	**(320,048)**	–
Carrying value as at 31 March 2026	**1,013,101**	1,199,952

[1] This represents the gross amount owed by subsidiary undertakings: amounts owed to group undertakings of £96,817 (2025: £113,921) are financial liabilities, presented within note 9, trade and other payables.

	31.3.26 £
Movement in loss allowance	
As at 1 April 2025	**–**
Charge for year	**320,048**
At 31 March 2026	**320,048**

The Directors consider the carrying amount of the loans, after this allowance, to be recoverable based on the relevant subsidiaries' forecast cash flows and the Group's business plans. The judgements involved in measuring this allowance are set out in note 1.

Notes to the Financial Statements
continued

8. Cash and cash equivalents

	31.3.26 £	31.3.25 £
Bank	**103,257**	204,326

On 1 October 2008, PHSC entered into 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 2026. On 31 March 2026, PHSC's Company balance was £103,257 (2025: £204,326) within the Group's cash at bank and in hand figure of £385,342 (2025: £434,795).

9. Trade and other payables

	31.3.26 £	31.3.25 £
Trade payables	**35,747**	11,161
Social security and other taxes	**(1,403)**	1,463
Amounts owed to Group undertakings	**111,817**	113,921
Other payables	**734**	3,078
Accruals	**39,779**	41,437

10. Deferred taxation

	31.3.26 £	31.3.25 £
Deferred taxation liability – accelerated capital allowances	**3,587**	1,042
Deferred taxation liability – revalued assets	**45,984**	45,984
Deferred taxation asset – tax losses carried forward	**(42,985)**	–
Net deferred tax liability	**6,586**	47,026

	31.3.26 £	31.3.25 £
Movement in deferred taxation		
At 1 April 2025	**47,026**	47,714
Deferred tax credit in year	**(40,440)**	(688)
At 31 March 2026	**6,586**	47,026

11. Share capital

Called up, allotted and fully paid

	Number of shares (Nominal value of 10p each)	Ordinary shares £	Share premium £	Total £
At 1 April 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 and 2026	10,280,853	1,028,088	1,916,017	**2,944,105**

12. Related party disclosures

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

	31.3.26 £	31.3.25 £
Management charge from PHSC plc to subsidiary companies	**180,000**	180,000

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

	31.3.26 £	31.3.25 £
Amounts owed by Group undertakings		
B2BSG Solutions Limited	**–**	9,000
Camerascan CCTV Limited	**73,485**	229,701
In House the Hygiene Management Company Limited	**305,472**	469,304
Inspection Services (UK) Limited	**24,753**	–
Personnel Health & Safety Consultants Limited	**312,987**	207,668
QCS International Limited	**197,952**	197,879
Quality Leisure Management Limited	**98,452**	54,197
RSA Environmental Health Limited	**–**	32,203
	1,013,101	1,199,952

Notes to the Financial Statements
continued

	31.3.26 £	31.3.25 £
Amounts owed to Group undertakings		
B2BSG Solutions Limited	**73,485**	95,736
Inspection Services (UK) Limited	**–**	18,185
RSA Environmental Health Limited	**23,332**	–
	96,817	113,921
PHSC received dividends from subsidiaries as follows:		
Inspection Services (UK) Limited	**35,000**	35,000
Personnel Health & Safety Consultants Limited	**165,000**	300,000
QCS International Limited	**–**	250,000
Quality Leisure Management Limited	**100,000**	100,000
RSA Environmental Health Limited	**–**	30,000
	300,000	715,000

13. Financial instruments

Set out below are the Company's financial instruments:

	31.3.26 £	31.3.25 £
Financial assets at amortised cost		
Other receivables	**1,050,278**	1,232,048
	1,050,278	1,232,048
Financial liabilities at amortised cost		
Trade and other payables	**186,674**	171,060
	186,674	171,060
Due within 1 year	**186,674**	171,060
	186,674	171,060

Full details of the overdraft facility can be found in note 8.

13. Financial instruments continued

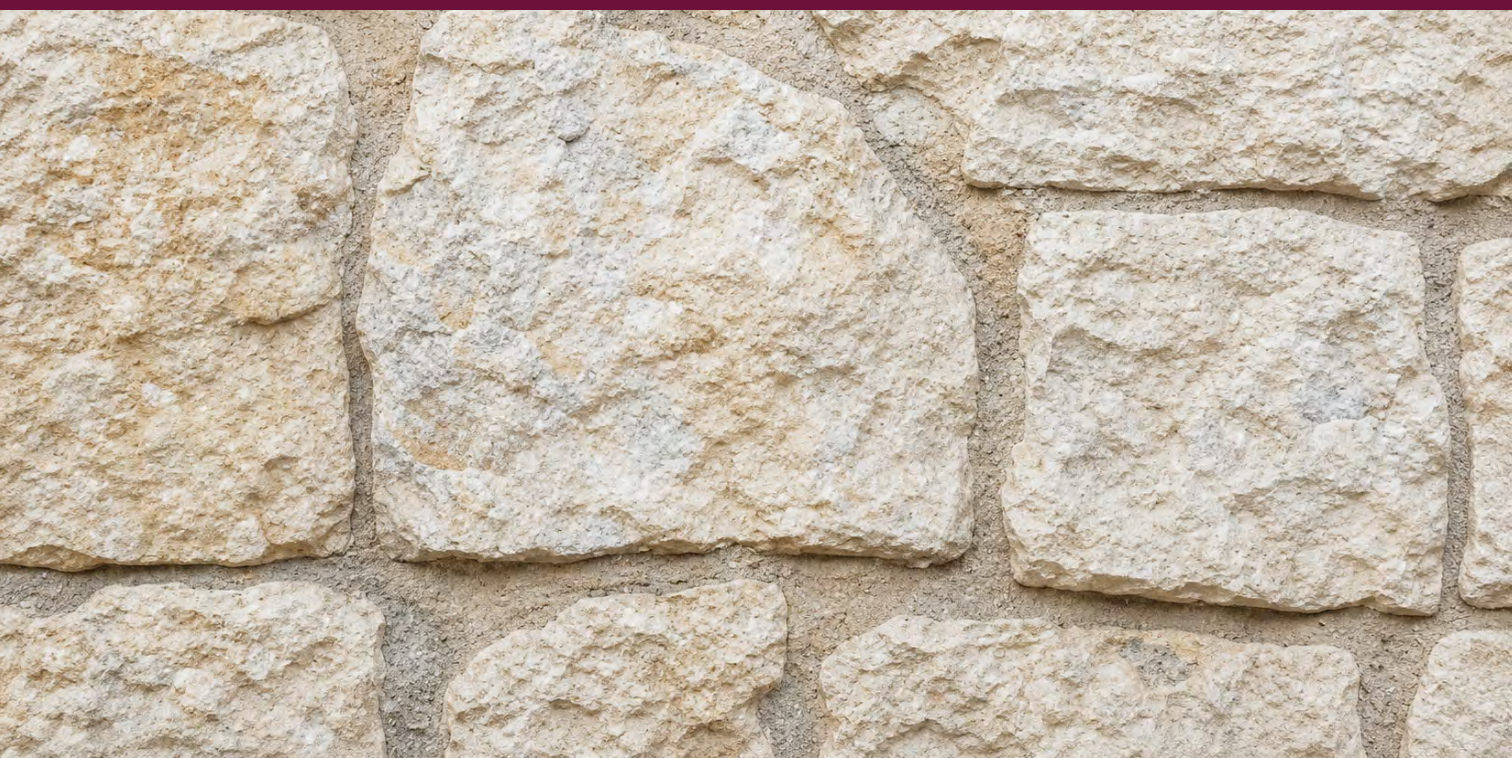
The main risk arising from the Company's financial instruments is liquidity risk. The Company seeks to manage this risk by ensuring that sufficient liquidity is available from current banking facilities to meet foreseeable needs and to invest cash assets safely and profitably. This policy has remained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

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

14. Parent undertaking

There is no ultimate controlling party of PHSC.

Shareholder information



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the AGM of PHSC plc will be held at 10.00 a.m. on Tuesday 22 September 2026 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 2026.

2. To elect Nikki Porter as a director.

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

4. To re-elect Frank Moxon 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 2027 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 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 2027 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:

Notice of Annual General Meeting
continued

(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 2027 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

19 August 2026

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 a.m. on 18 September 2026. 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.

Notice of Annual General Meeting
continued

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 call 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 p.m. 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 in respect of the Annual General Meeting (AGM) to be held on Tuesday 22 September 2026

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 Nikki Porter as a director				
3. To re-elect Lorraine Young as a director				
4. To re-elect Frank Moxon 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 2026

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" 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, anyone 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

for the year ended 31 March 2026

Directors:	Lorraine Young (Non-Executive Chair) Nikki Porter (Chief Executive Officer) Frank 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 LLP 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:	AlbR Capital Limited 80 Cheapside London EC2V 6EE

PHSC plc