8 August 2023

PHSC PLC

("PHSC", the "Company" or the "Group")

Final Results for the year ended 31 March 2023
Availability of Annual Report and Notice of Annual General Meeting

PHSC (AIM: PHSC), a leading provider of health, safety, hygiene and environmental consultancy services and security solutions to the public and private sectors, is pleased to announce its audited results for its financial year ended 31 March 2023.

FINANCIAL HIGHLIGHTS

Underlying EBITDA of £0.366m compared to £0.274m in the prior year

Profit after tax of £0.243m compared to a loss after tax of £0.631m in the prior year, the latter mainly due to writing off goodwill in respect of the Security Division

Group revenue of £3.438m, down from £3.571m in the prior year

Group net assets increased to £3.638m from £3.513m

Statutory earnings per share of 2.05p compared to a loss per share of 4.76p in the prior year

Cash reserves of £0.750m at the year end up from £0.649m for the prior year

Final dividend of 1.0p proposed, making a total of 1.5p for the year compared with 1.0p last year

	31.3.23	31.3.22
	£	£
Profit/(loss) before tax	**304,598**	(577,798)
Less: interest received	**(1,346)**	(388)
Add: depreciation	**63,034**	58,812
Add: impairment of B2BSG Solutions Limited goodwill	**-**	676,178
Add: impairment of Inspection Services (UK) Limited goodwill	**-**	117,240
Underlying EBITDA*	**366,286**	274,044

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

Annual General Meeting ("AGM") and Availability of full 2023 Annual Report

This year s AGM will be held at 10.00 a.m. on Thursday, 28 September 2023 at The Old Church, 31 Rochester Road, Aylesford, Kent ME20 7PR.

The full annual report and accounts for the financial year to 31 March 2023 and notice of AGM are expected to be posted to shareholders on or around 10 August 2023 and will shortly be made available to download from the Company s website at: www.phsc.plc.uk.

Dividend

The Company confirms that, subject to shareholder approval at its forthcoming AGM, an increased final dividend of 1.0p per share will be payable on 13 October 2023 to shareholders on the register on 29 September 2023.

For further information please contact:

PHSC plc
Stephen King — Tel: 01622 717 700
Stephen.king@phsc.co.uk
www.phsc.plc.uk

Strand Hanson Limited (Nominated Adviser) — Tel: 020 7409 3494
James Bellman / Matthew Chandler

Novum Securities Limited (Broker) — Tel: 020 7399 9427
Colin Rowbury

About PHSC

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

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019.

CHIEF EXECUTIVE OFFICER S REPORT

I am pleased to report that the Group has built on the post-pandemic progress made in the prior year and has generally returned to normal trading across all subsidiaries. With the carrying value of our Security Division having been written down to zero in 2021-22, there is no impairment to report for 2022-23. Accordingly, the Group returned to profitability and the board is proposing an increased final dividend to shareholders.

The board has determined that a higher distribution is justified in conjunction with a planned third share buyback programme, which will be confirmed, and further details announced as soon as practicable following publication of the Annual Report utilising the existing authority. To maintain flexibility, the board is seeking renewed authority at the forthcoming 2023 AGM for further potential share buybacks however shareholders should not assume that such renewed authority, if granted, will necessarily be utilised.

Individual subsidiary performance is considered in some detail later in this report.

GENERAL BUSINESS OVERVIEW AND OUTLOOK

Security Division

Having written off the carrying value of this part of the Group s business in 2021-22, management focussed on how best to commence a rebuilding of the division through better cost control and improved margins. This is a medium-term objective and is subject to variables outside the Company s control such as exchange rates, costs of shipping and the general economic climate as it affects the retail sector. Prior to central charges and some write-down of slow-moving stock, the business broke even over the year under review. There were increases to both revenues and costs, however profit margins remained suppressed due to the aforementioned external factors. It is anticipated that there will be some respite in that transportation costs have progressively reduced from the 2021-22 highs and the business has been able to raise prices on some contracts. The client base remains overwhelmingly centred on the retail sector and includes supermarkets, department stores and garden centres.

Systems Division

Results from this part of the Group s business were extremely encouraging and the division built upon the good progress made in 2021-22. Revenue was up more than £100,000, the majority of which fed through to the bottom line as evident in the more detailed financial summary later in this report.

Consultancy sales were strong throughout the year and benefitted from long-term, valuable contracts on safety support for regular clients. Sales of UK Responsible Person services in connection with the supply of medical devices were higher than anticipated due to both additional clients, and increased work from the existing client base following changes in the regulatory framework for registration.

Training delivery returned to pre-pandemic levels and the year ended with strong sales figures for both in-house and public training.

Safety Division

Progress was made in respect of the profitability of servicing clients in the education and leisure sectors, although higher revenues were adversely impacted by the higher costs incurred in connection with delivering our services. Additional costs were experienced throughout the division, compounded by staff salaries being increased twice during the year to mitigate against persistently high inflation rates and rising domestic energy costs.

Total revenue was markedly lower due to a large commission-only agreement in respect of COVID-19 testing during the pandemic which positively skewed the 2021-22 results.

Cash reserves

Cash at bank increased year-on-year from approximately £649,000 to £750,000 reflecting the cash generative nature of our operations. The total cost of servicing dividends, maintained at the same level, was lower, as a result of approximately 2.8 million fewer ordinary shares being in issue following the successful buyback programme implemented in the prior year. As noted above, it is proposed that, subject to shareholder approval at the forthcoming AGM, the final dividend be increased to return a greater proportion of cash to shareholders, given that the Group remains cash-generative with excess reserves for its currently foreseeable requirements.

The Group s cash position following payment of the proposed enhanced final dividend and planned further share buyback programme, should be more than sufficient for all currently anticipated expenditure. To underpin this position and provide flexibility/headroom the Group also has a currently unutilised facility with HSBC Bank plc of an initial £50,000 in the unlikely event it is required.

The Group s only borrowings relate to certain leases in respect of land and buildings and motor vehicles, further details of which are provided in note 13 to the full annual report and accounts.

Net asset value

The Group s net asset value of approximately £3.638m equates to a little over 30p per ordinary share and has remained consistently higher than the Company s market share price on AIM. The equivalent net asset value at the end of the previous year was circa 3 per cent. lower, at approximately £3.513m.

Outlook

Management expectations across the Group, despite the slow start to the year based on Q1 figures, are that 2023-24 has the potential to be another successful year. Where it is practical to do so, we will seek to apply modest price increases to our fee rates in a bid to recover the majority of the extra costs we are facing. In the current environment, some areas of expenditure are almost certain to continue to rise but others including energy bills and shipping of security products appear more stable. Recruitment and retention of personnel remains challenging and represents our most significant cost category.

Each subsidiary currently appears to be on a stable footing and are well placed to continue to trade profitably and generate cash flow over the remainder of the current financial year.

Trading update

Unaudited Group management accounts for Q1 of the current financial year show total revenue of approximately £0.754m and EBITDA of approximately £49,100 (Q1 2022-23: £0.862m and £0.1m respectively).

Dividends

A total dividend of 1.0p per ordinary share (£124,020) was paid in respect of the financial year ended 31 March 2022. An interim dividend of 0.5p in respect of the financial year ended 31 March 2023 was paid in February 2023 (£59,190) and, subject to shareholder approval, a final dividend of 1.0p to be paid from earnings from the financial year ended 31 March 2023 is proposed to be paid in October 2023, representing an increase of 0.5p or 50 per cent. on last year s total.

PERFORMANCE BY TRADING SUBSIDIARY

The Group currently utilises the following key performance indicators (KPIs).

Total revenues

Total revenues are reviewed each month across the Group to provide the board with a ready measure of how well the Group and its underlying businesses are performing relative to historical data. It enables any trend to be detected, interpreted and acted upon as appropriate. Consolidated Group revenues for the year decreased by approximately 3.7% but when a £400k adjustment is made to the 2021-22 turnover for a one-off contract with a single customer for COVID-19 testing services, a 7.5% increase in turnover is evident, which the board views as being a good outturn in the current challenging market conditions.

Earnings before interest, taxation, depreciation and amortisation (underlying EBITDA)

The Group s underlying EBITDA increased from £274,044 in 2021-22 to £366,286 in 2022-23.

Staff turnover

Staff turnover is closely monitored as the key asset of each subsidiary is its workforce. Recruiting replacement staff is an expensive task and it is not always possible to compensate for the specialised knowledge that may be lost when an employee departs. During the year, 3 people left the employment of the Group and no new staff were recruited, resulting in 34 employees at the year end, excluding 7 PHSC plc and subsidiary directors.

Pre-tax profit/(loss) per subsidiary before Group management charges

Profit before tax and management charges is reviewed by each subsidiary and by the board every month. Each subsidiary director provides a commentary to enable the board to establish whether intervention of any kind is appropriate.

A summary of the results and activities of our trading subsidiaries is set out below. Performance is based on those factors within a subsidiary director s control, such that results are shown exclusive of management charges and taxation and any impairment provision judged to be necessary. The parent company covers its own management costs by levying a charge on each subsidiary and derives other income through the receipt of dividends from its subsidiaries.

B2BSG Solutions Limited (B2BSG)

2023: revenues of £829,900 yielding a loss of £9,100 after a slow-moving stock write down of £9,100

2022: revenues of £749,200 yielding a loss of £79,200 after a slow-moving stock write down of £55,000

B2BSG ended the year with sales that were £80k higher than in 2021-22. An end of year adjustment for currency revaluation resulted in a total negative loss variance of £7.3k due to adverse exchange rates over the course of the year. Effectively, the business traded at around break-even before management charges and a £9.1k year-end stock provision. This compares very favourably with the loss sustained in the previous year.

A two-year contract with a national supermarket group, awarded before the Brexit protocol was known, came to an end in March 2023. Costs associated with this particular contract had led to an almost total elimination of gross margin. Costs were higher than anticipated due to an Irish VAT registration being required, product inflation which we were unable to recover as prices were fixed, and an escalation in transport costs. Upon its expiry, this contract was formally renegotiated and renewed for a further two years on much more favourable terms, which should facilitate the company s recovery strategy.

Another national supermarket chain is embarking on a refurbishment exercise for its security infrastructure in 2023-24, and B2BSG are in the early stages of installing equipment to assist them in carrying out their programme.

The mix of clients now has more of a bias towards food retail. Some economists are suggesting that there may be signs of recovery in bricks and mortar retail activity more generally which, if borne out, would bode well for B2BSG.

Inspection Services (UK) Limited (ISL)

2023: revenues of £198,100 yielding a profit of £7,000

2022: revenues of £186,600 yielding a profit of £8,700

ISL achieved increased revenues of £198,100, being £11,500 ahead of the prior year s total sales of £186,600. The resulting profit achieved fell by £1,700 year-on-year to £7,000. The improvement in revenues was more than offset by higher costs incurred in delivering the services, most notably in terms of travel and accommodation charges, which increased by almost £3,000. Subcontractor costs rose by £2,500 and were approximately 40% higher than in 2021-22. Staff salaries were increased twice during the year to mitigate against high inflation figures and rising domestic energy costs. Such pay adjustments were necessary but resulted in around £4,000 of unplanned additional expenditure. Most of ISL s work is sourced through insurance brokers in exchange for commission payments. Broker commissions were similar to the prior year. There were no bad debts arising during the year and the company remains cashflow-positive. Overall, its client portfolio remains stable, with most work comprising repeat business.

Personnel Health & Safety Consultants Limited (PHSCL)

2023: revenues of £806,700 yielding a profit of £268,300

2022: revenues of £1,283,100 yielding a profit of £351,000

Trading returned to more normal levels after maximising opportunities for safety and risk management brought about by the COVID-19 pandemic. PHSCL s revenue and profit were lower than the previous year but in line with management s expectations. During the year, online systems continued to be reviewed to help streamline the business and optimise the company s ability to pitch for larger contracts as well as to widen its service offering to existing clients. There has been an increasing level of interest expressed from both prospective and current customers as a result of applying a personal touch whereby customers are able to speak to a person rather than automated support. This approach will continue to be promoted whilst developing ways to enhance services with online systems that also adopt a more personal perspective. The business s main challenge at the current time is its ability to attract the right level of consultant expertise due to a general skills shortage which goes wider than PHSCL. Subject to securing the services of appropriately qualified fee-earning staff there is confidence in respect of opportunities to grow revenue.

QCS International Limited (QCS)

2023: revenues of £834,600 yielding a profit of £272,100

2022: revenues of £724,100 yielding a profit of £189,600

Trading has returned to pre-COVID-19 levels, with consultancy sales exceeding £400,000 for the first time. There continues to be a high level of repeat business combined with income from new clients with whom long-term relationships will be sought. Income from the UK Responsible Person service for medical devices exceeded management s expectations by a considerable margin due to a mixture of new clients and increased work from the existing client base following changes in the regulatory framework for registration. Training is now back at pre-pandemic levels; the year ended with very positive sales figures for both public and in-house courses, with combined training income approaching £350,000 for the year. To meet and manage demand, the company calls upon the services of consultants employed by other Group companies as appropriate and has ambitions to grow revenues in the year ahead. Profit for the year was £272,100 (compared to £189,600 in 2021-22) which reflects a combination of improved sales and tight cost control.

Quality Leisure Management Limited (QLM)

2023: revenues of £402,400 yielding a profit of £137,500

2022: revenues of £323,600 yielding a profit of £100,900

Business started strongly in 2022 for both auditing and training as there was pent-up demand post the pandemic abating. Training requirements dropped slightly towards the latter part of the financial year though training via video conferencing remained popular. In addition to reducing staff travel time and costs recharged to clients, video conferencing affords greater accessibility to those clients only requiring a small number of participants or for those who were unable to attend the in-house delivered course.

Demand for audits remained strong, involving support for clients in verifying processes and procedures as their facilities returned to fully operational status. Both audit and training income streams were significantly up on management s expectations.

Consultancy in relation to health and safety and quality systems was a significant source of income in 2022-23 with QLM supporting clients in the development of their policies, processes, procedures and systems.

Expert witness work was lower than in previous years as leisure facilities were closed for significant periods during the pandemic and UK courts are struggling to catch up with delays and postponements.

Cost of sales increased in proportion to income. Consultant and subcontractor salaries and fees were reflective of the higher costs of delivery as well as greater activity.

RSA Environmental Health Limited (RSA)

2023: revenues of £365,900 yielding a profit of £69,800

2022: revenues of £304,000 yielding a profit of £53,600

Annual revenue showed a 20% increase compared to 2021-22 and the company is now trading at similar levels to those experienced prior to the pandemic. The increase in sales led to profits not seen since 2018-19. The majority of income streams were above expectations, with the exception of general health and safety consultancy services but this was only because consultants fee earning time was being utilised for the provision of other services. Food safety consultancy has seen some welcome growth over the last year.

Rather than employ additional members of staff, employees from elsewhere within the Group and trusted associates were used to provide extra fee-earning capability. Such strategy helped to keep costs under control and enabled the company to deal efficiently with the peaks and troughs in its workload.

In previous years, the company s focus has been to diversify its service offering and strengthen its presence in the markets in which it operates. These efforts have continued and resulted in a more even spread of revenues across the services provided. This will continue to be a focus to make the company more resilient.

SafetyMARK services saw revenues continue to recover. Demand for these services remains strong especially within the independent school s market. There is a high retention rate with schools demonstrating that they see value in the services RSA offers.

Training services remain strong, with a focus on school-based Institution of Occupational Safety and Health (IOSH) accredited training courses. These have proved very popular with schools and demand continues to be strong with good profits achieved.

PHSC plc

2023: net loss of £442,300 before management charges, interest and dividends received

2022: net loss of £409,200 before management charges, goodwill impairment, interest and dividends received

The Company incurs costs on behalf of the Group and does not generate any income; the costs relate to running an AIM quoted Group.

PRINCIPAL RISKS AND UNCERTAINTIES

Pandemic

The financial impact of the coronavirus pandemic continued to ease with business activity returning towards pre-pandemic levels. Inevitably, there are legacy impacts in particular on the high street where consumers shopping habits have shifted towards greater on-line ordering, and this represents a concern to the Security Division where retail outlets form a significant part of its customer base. Conversely, the Systems and Safety Divisions are continuing to experience a rebound in activity as clients catch up on projects that were previously deferred or cancelled. The Group s ability to deliver services remotely as an alternative to a face-to-face offering is more appealing to some customers and this alternative continues to be offered where appropriate.

Regulatory/Marketplace

Approximately 50% of the Group s work involves assisting organisations with the implementation of measures to meet regulatory requirements relating to health and safety at work. If the regulatory burden was to be substantially lightened, for example if the government embarked upon a programme of radical deregulation, there could be less demand for the Group s services. Changes to the operation of the employer s liability insurance system, as proposed in some quarters, could reduce the incentive for organisations to buy in claims-preventive services such as health and safety advice. In mitigation of these risks, the board has diversified the Group s range of offerings, for example, through investing in its Systems Division and continues to explore non-regulatory areas of environmental work to add to the current portfolio of services.

The Group s Security Division works almost exclusively in the retail sector, and this has continued to suffer as a result of weak consumer demand on the high street and the move towards on-line purchasing, which accelerated during the COVID-19 pandemic. Any further material deterioration in the retail sector and specifically in B2BSG s client base would have a significant negative effect on the company s and hence the Group s prospects. To mitigate any future negative effects, the Group wrote off the carrying value of its Security Division in 2021-22 in full and periodically reviews the need to make financial provision against the value of stock held in its warehouse.

Technological

The Group s website is a primary source of new business. If the website became inaccessible for protracted periods, or was subject to "hacking", this may prejudice the opportunity to obtain new business. Additionally, the increase in the use of the internet for satisfying business requirements may lead to a reduction in demand for face-to-face consultancy services and the number of training courses commissioned may be affected by moves towards screen-based interactive learning.

The subject of IT security is regularly reviewed by the board to ensure that appropriate strategies are in place. The Aylesford based businesses (PHSC plc, PHSCL and ISL) have been re-certified to Cyber Essentials standard and all staff across the Group have participated in on-line training to reduce the risk of falling victim to phishing and other such scams. All head office data is backed up to the Cloud and removeable hard drives attached to the physical server are rotated on a daily basis.

Personnel

Generally, there is an excess of demand over supply for health and safety professionals. Those with sufficient qualifications and experience to be suitable for consultancy roles are in the minority. This constraint has the combined effect of making it difficult for the Group to source suitable personnel and having to offer higher remuneration packages to attract them. The Group is dependent upon its current executive management team. Whilst it has entered into contractual arrangements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. Accordingly, the loss of any key member of management of the Group may have an adverse effect on the future of the Group s business. The Group and each subsidiary have contingency plans in place in the event of incapacity of key personnel.

Geographical

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

Licences

The Group is reliant on licences and accreditations to be able to carry on its business. The temporary loss of, or failure to maintain, any single licence or accreditation would be unlikely to be materially detrimental to the Group, as the directors believe that this could be remedied. However, if the Group fails to remedy any loss of, or does not maintain, any licence or accreditation, this will have a material adverse effect on the business of the Group. The Group has internal processes in place to ensure that its licences and accreditations are maintained.

Climate risk

The board is mindful of climate risk and will continue to evaluate what potential implications the changing climate may have on both the business activities of the Group and its clients.

SECTION 172 STATEMENT

The Companies (Miscellaneous Reporting) Regulations require large 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 receives an annual business plan from the managing director of each subsidiary company, which forms the basis of the Group s strategic plan. The board requires that the plans include financial forecasts, KPIs, marketing strategy and an analysis of strengths, weaknesses, opportunities, and threats. Subsidiary directors, via the Group s operational board of which they are members, consider the implications of their own plans in the context of what others within the Group are intending to do and the opportunities for synergies are explored. Any proposed actions that may adversely affect another subsidiary are flagged at operational board level and are resolved. Subsidiary directors are challenged on the content of their plans and the assumptions they have made, to ensure that the plans are realistic and achievable. Once agreed by the board, this plan, at Group and subsidiary level, is used as the benchmark against which to assess performance.

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 greatest asset and the interests of employees are taken into consideration in all decisions made. Each subsidiary company within the Group has in place the necessary structures to ensure effective communication with its employees. The subsidiary directors meet once a quarter and relevant information is shared with employees via team meetings held at subsidiary level. The views of employees are heard in a similar fashion, initially at team meetings, and escalated to the operational board and the main board if appropriate. Each subsidiary has its own bonus scheme, based on results for the financial year and/or tailor-made targets. 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. A review has been conducted to identify any gender-related pay anomalies across the Group and found there to be no such anomalies.

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 subsidiaries 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 subsidiary is focussed on its customers. Communication takes many forms and is structured according to how each subsidiary interacts with its client base. Channels of communication include quarterly newsletters in hard copy and/or sent electronically, customer roadshows, interaction via various social media platforms (Twitter, LinkedIn and Facebook) and regular client meetings. An ongoing dialogue is held electronically, with most clients subscribing to email updates that are sent out periodically.

Stephen King is the principal contact between the Company and its investors, with whom he maintains a regular dialogue. The Company is committed to listening to and communicating openly with its shareholders to ensure that its business model and performance are understood. Regular announcements are made to the market and the AGM provides a forum for information dissemination, discussion and feedback.

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

The board s intention is to behave responsibly and ensure that management operates the business 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. Cash reserves ended the year at a higher level than in 2021-22. The board is satisfied that such reserves, along with the Group s cash-generative trading position and (unused) credit facility will ensure that there are sufficient resources to continue in operational existence for the foreseeable future. The cost of the proposed enhanced final dividend is factored into the board s calculations in this regard. The directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

On behalf of the board, I must once again thank all our shareholders, employees and other stakeholders for continuing to place their trust in us and for enabling 2022-23 to be a successful year.

Stephen King
Group Chief Executive

7 August 2023

GROUP STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

	31.3.23	31.3.22
	£	£

Non-Current Assets		
Property, plant and equipment	**468,490**	490,138
Goodwill	**2,235,045**	2,235,045
Deferred tax asset	**11,554**	15,591
	2,715,089	2,740,774
Current Assets		
Stock	**200,169**	185,685
Trade and other receivables	**674,372**	726,378
Cash and cash equivalents	**749,627**	649,363
	1,624,168	1,561,426
Total Assets	**4,339,257**	4,302,200
Current Liabilities		
Trade and other payables	**531,422**	617,077
Right of use lease liabilities	**25,137**	30,632
Current corporation tax payable	**56,919**	55,112
	613,478	702,821
Non-Current Liabilities		
Right of use lease liabilities	**25,414**	24,184
Deferred tax liabilities	**62,223**	61,842
	87,637	86,026
Total Liabilities	**701,115**	788,847
Net Assets	**3,638,142**	3,513,353
Capital and reserves attributable to equity holders of the Group		
Called up share capital	**1,184,704**	1,467,726
Share premium account	**1,916,017**	1,916,017
Capital redemption reserve	**426,650**	143,628
Merger relief reserve	**133,836**	133,836
Treasury shares		(644,738)
Retained earnings	**(23,065)**	496,884
	3,638,142	3,513,353

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2023

	31.3.23	31.3.22
	£	£
Continuing operations:		
Revenue	**3,437,624**	3,570,626
Cost of sales	**(1,612,543)**	(1,938,870)
Gross profit	**1,825,081**	1,631,756
Administrative expenses	**(1,524,829)**	(1,446,051)
Goodwill impairment		(793,418)
Government grants		29,527
Other income	**3,000**	
Profit/(loss) from operations	**303,252**	(578,186)
Finance income	**1,346**	388
Profit/(loss) before taxation	**304,598**	(577,798)
Corporation tax expense	**(61,339)**	(53,205)
Profit/(loss) for the year after tax attributable to owners of the parent	**243,259**	(631,003)
Other comprehensive income		
Total comprehensive income/(loss) attributable to owners of the parent	**243,259**	(631,003)
Basic earnings/(loss) per share from continuing operations (p)	**2.05p**	(4.76)p

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

	Share Capital £	Share Premium £	Merger Relief Reserve £	Capital Redemption Reserve £	Treasury Shares £	Retained Earnings £	Total £
Balance at 1 April 2022	1,467,726	1,916,017	133,836	143,628	(644,738)	496,884	3,513,353
Profit for year attributable to equity holders						243,259	243,259
Dividends						(118,470)	(118,470)
Cancellation of own shares	(283,022)			283,022	644,738	(644,738)	
Balance at 31 March 2023	**1,184,704**	**1,916,017**	**133,836**	**426,650**		**(23,065)**	**3,638,142**
Balance at 1 April 2021	1,467,726	1,916,017	133,836	143,628		1,258,092	4,919,299
Loss for year attributable to equity holders						(631,003)	(631,003)
Dividends						(130,205)	(130,205)
Purchase of own shares					(644,738)		(644,738)
Balance at 31 March 2022	1,467,726	1,916,017	133,836	143,628	(644,738)	496,884	3,513,353

GROUP STATEMENT OF CASH FLOWS
for the year ended 31 March 2023

	Note	**31.3.23 £**	31.3.22 £
Cash flows from operating activities:			
Cash generated from operations	I	**318,153**	313,530
Tax paid		**(55,114)**	(89,213)
Net cash generated from operating activities		**263,039**	224,317
Cash flows used in investing activities			
Purchase of property, plant and equipment		**(41,386)**	(22,117)
Proceeds from disposal of fixed assets			140
Interest received		**1,346**	388
Net cash used in investing activities		**(40,040)**	(21,589)
Cash flows used in financing activities			
Payment of lease liabilities		**(4,265)**	(15,905)
Purchase of own shares			(644,738)
Dividends paid to shareholders		**(118,470)**	(130,205)
Net cash used in financing activities		**(122,735)**	(790,848)
Net increase/(decrease) in cash and cash equivalents		**100,264**	(588,120)
Cash and cash equivalents at beginning of year		**649,363**	1,237,483
Cash and cash equivalents at end of year		**749,627**	649,363

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

NOTES TO THE GROUP STATEMENT OF CASH FLOWS

for the year ended 31 March 2023

	31.3.23 £	31.3.22 £
I. CASH GENERATED FROM OPERATIONS		
Profit/(loss) from operations	**303,252**	(577,798)
Depreciation charge	**63,034**	58,812
Goodwill impairment		793,418
Loss on sale of fixed assets		2,441
(Increase)/decrease in stock	**(14,484)**	74,075
Decrease/(increase) in trade and other receivables	**52,006**	(136,250)
(Decrease)/increase in trade and other payables	**(85,655)**	98,832

Cash generated from operations	**318,153**	313,530

Notes to the consolidated financial information

The consolidated financial information set out above does not constitute the Group s financial statements for the years ended 31 March 2023 or 31 March 2022 but is derived from those financial statements. Statutory financial statements for 2022 have been delivered to the Registrar of Companies and those for 2023 have been approved by the board and will be delivered after dispatch to shareholders. The auditors have reported on the 2022 and 2023 financial statements which carried unqualified audit reports, did not include any reference to any matters to which the auditor drew attention by way of emphasis and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006.

While the financial information included in this announcement has been compiled in accordance with International Financial Reporting Standards (IFRS), this announcement does not in itself contain sufficient information to comply with IFRS. The accounting policies used in the preparation of this announcement are consistent with those in the full financial statements.

DIVIDENDS

A total dividend of 1.0p per ordinary share was paid in respect of the year ended 31 March 2022; £64,830 was paid in January 2022 and the balance of £59,190 in October 2022. An interim dividend of 0.5p in respect of the year ended 31 March 2023 was paid in January 2023 (£59,190) and, subject to shareholder approval at the AGM, a final dividend of 1p per share will be payable on 13 October 2023 to shareholders on the register on 29 September 2023, thereby making a total of 1.5p for the year.