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## (“PHSC”, the “Company” or the “Group”)

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James Bellman / Matthew Chandler

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

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

opportunity for some positive developments which are described further below.

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

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

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

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

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

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

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

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Lorraine Young  
Non-Executive Chair  
17 July 2025

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## **CHIEF EXECUTIVE OFFICER'S REVIEW**

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

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

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

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

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

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

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

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

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

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Nicola Coote  
Acting Chief Executive Officer  
17 July 2025

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## **STRATEGIC REPORT**

### **Business Review**

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

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

### **Our People and Culture**

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

### **Principal Risks and Uncertainties**

#### ***Regulatory/Marketplace***

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

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

#### ***Technological***

The Groupâ€™s website is a significant source of new business. If the website became inaccessible for protracted periods, or was subject to â€œhackingâ€, this may prejudice the opportunity to obtain new business.Â Additionally, the increase in the use of the internet for satisfying business requirements may lead to a reduction in demand for face-to-face consultancy services and the number of training courses commissioned may be affected by moves towards screen-based interactive learning. We have mitigated these risks by collaboration with an e-learning platform through which we can offer such training. Most of our websites have been redeveloped or are in the process of redevelopment. We have invested in software technology to improve our workflows and enhance customer support.

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

#### ***People***

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

The Group is dependent upon its current SLT; whilst it has entered contractual arrangements with the aim of securing the services of

these personnel, the retention of their services cannot be guaranteed. Accordingly, the loss of any key member of management of the Group may have an adverse effect on the future of the Group's business. The Group and each subsidiary have contingency plans in place in the event of incapacity of key personnel.

### **Geographical**

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

### **Licences**

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

### **Section 172 Statement**

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

#### ***The likely consequences of any decision in the long-term***

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

#### ***The interests of the Group's employees***

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

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

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

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

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

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

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

### **Going Concern**

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

On behalf of the board

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Nicola Coote

Acting Chief Executive Officer

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17 July 2025

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## GROUP STATEMENT OF FINANCIAL POSITION

as at 31 March 2025

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

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The above Group statement of financial position should be read in conjunction with the accompanying notes in the Company's full Annual Report and Financial Statements.

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## GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2025

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31.3.25

Â£

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31.3.24

Â£

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

The above Group statement of comprehensive income should be read in conjunction with the accompanying notes in the Company's full Annual Report and Financial Statements.

## GROUP STATEMENT OF CHANGES IN EQUITY for the year ended 31ÂMarchÂ2025

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

The above Group statement of changes in equity should be read in conjunction with the accompanying notes in the Company's full Annual Report and Financial Statements.

## GROUP STATEMENT OF CASH FLOWS for the year ended 31ÂMarchÂ2025

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

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

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The above Group statement of cash flows should be read in conjunction with the accompanying notes in the Company's full Annual Report and Financial Statements.

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#### NOTE TO THE GROUP STATEMENT OF CASH FLOWS for the year ended 31Â MarchÂ 2025

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

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#### Notes to the consolidated financial information

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The consolidated financial information set out above does not constitute the Group's financial statements for the years ended 31 March 2025 or 31 March 2024 but is derived from those financial statements. Statutory financial statements for 2024 have been delivered to the Registrar of Companies and those for 2025 have been approved by the board and will be delivered after dispatch to shareholders. The auditors have reported on the 2024 and 2025 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.

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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.

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