

Register

Company Registration No. 731728 (England and Wales)
Charity Registration No. 230407

**THE MIDLANDS OCCUPATIONAL HEALTH
SERVICE LIMITED**

**DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2006

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THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

COMPANY INFORMATION

Directors

P E Beresford-Huey
D A Lynam
A Joynson
L G Fisher

Secretary

H J Mackenzie

Company number

731728

Registered office

83 Birmingham Road
West Bromwich
West Midlands

Auditors

CK Audit
Dartmouth House
Sandwell Road
West Bromwich
West Midlands
B70 8TH

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

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THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2006

The directors present their report and financial statements for the year ended 31 March 2006.

Principal activities

The principal activity of the company continued to be that of an occupational health service in West Bromwich.

Legal and administration

The Midlands Occupational Health Service Limited is a company limited by guarantee, a Charity registered with the Charities Commission and is regulated by its Memorandum and Articles of Association.

The company does not have a share capital and liability of its Members is limited and is not to exceed 5 pence per Member.

The members elect their representatives to be councillors on the Committee of Management. Such councillors constitute directors and trustees of the company for the Companies Act Purposes. The names of directors are listed on page 3.

All new Board members receive an induction to The Midlands Occupational Health Service Limited and the company provides appropriate training in governance and work of the Company.

Objects and policies

The chartered principle objects are the promotion and advancement of occupational health care for all persons engaged, and intending to be engaged, in industry and commerce.

The policies adopted to achieve these objectives have been:

1. To advance the physical and moral welfare of the population by the prevention and cure of occupational disease and injuries.
2. To provide services for medical treatment and for the care of sick or injured workers at their place of employment or elsewhere.
3. To undertake medical and other teaching in occupational diseases and injuries and in the promotion of occupational health.
4. To carry out research and investigation into causes of occupational diseases and injuries and into the means of promoting occupational health.
5. To assist such teaching and investigation as set out in 3 and 4 above, by grant of money, payment of fees and otherwise as the service may think fit.

There have been no changes in these policies during the year covered by this report.

Organisations

The charity is run from premises in West Bromwich which provide consulting and examination rooms, training facilities and house the centre of administration. Most of the occupational health care provision is undertaken by Doctors and Nurses at the Member's premises and training is also provided at Member's premises.

Risk management

The Directors are aware of the need to assess the risks to which the Charity is exposed and to satisfy themselves that systems are in place to mitigate exposure to major risks. A full risk assessment has been commenced and will be completed in the near future.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

Reserves policy

Sufficient reserves are held to meet operational expenses to cover at least a six week period without further income. This is due to the income stream being cyclical.

General purpose income

These are accumulated reserves and would not exceed 15% of total income in any one year. These reserves are then applied to fund the development of the Charity to meet its objectives.

This policy complies with the Charity Commissioners requirements as defined in SORP 2005.

Review of activities

A review of the past year's activities is reported by the Chairman as follows:

Chairman's Report

The end of the financial year marked a record year for the company, having achieved sales of £1.5million. Whilst, only a modest increase compared to the previous financial year, it is notable that we have consistently increased turnover year on year. This has been accomplished in challenging trading conditions and I offer my thanks to our staff who have responded to the ever increasing demands for continuous improvement in performance in order to remain competitive.

In line with our commitment to a programme of re-investment, we continued with the refurbishment of the adjoining building acquired in 2002 and in June 2005 we completed Phase 2 of the refurbishment to provide additional office accommodation.

Like so many other organisations we have continued to feel the effect of the challenging trading conditions in which we find ourselves. This has been reflected in a steady reduction in our traditional membership client base. However, our stable financial performance allowed us to continue with our plan to expand the Health Screening Department and in January 2006 we launched our second self-drive health screening vehicle. This has left us well placed to respond to the needs of our clients and able to provide a responsive and flexible service.

We would like to pay tribute to Dr Ian Picton-Robinson who retired at the end of March. Ian commenced his career in occupational health when he started at the Occupational Health Department at the Longbridge works in January 1965. He has been with MOHS since 1999 and celebrated his 40th anniversary of work in occupational health in January 2006. His vast wealth of knowledge and experience have been of enormous value to MOHS and we will miss his invaluable contribution to the Company. We wish him a long and much deserved retirement.

The Company continues its policy to offer assistance in the professional development of its employees. We are currently in the fourth year of our programme to sponsor members of the Health Advisors' team through the Diploma in Occupational Health. Not only have our client benefited from the enhanced professional skills that those members of the team who have qualified but the organisation as a whole.

As always, I thank the Directors of the Service who offer the wealth and knowledge of their experience to the organisation. Their contribution is greatly appreciated.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

Future plans

The future plans for the Company include:

- to enhance the marketing strategy and encourage pro-active sales management
- to continue to develop travel health, prophylaxis and care package
- to continue to develop risk management product within the Health and Safety department
- to continue to develop Nurse Based Screening department and manage support mechanism to client base
- to continue to sponsor Chief Occupational Health advisor through management training

Directors

The following directors have held office since 1 April 2005:

P E Beresford-Huey
D A Lynam
A Joynson
L G Fisher

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that CK Audit be reappointed as auditors of the company will be put to the Annual General Meeting.


Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



P E Beresford-Huey

Director

31 October 2006

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

We have audited the financial statements of The Midlands Occupational Health Service Limited for the year ended 31 March 2006 set out on pages 6 to 15. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of the directors and auditors

As described in the Statement of Directors' Responsibilities on page 3 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985. The information given in the Directors' Report is consistent with the financial statements.


CK Audit

31 October 2006

Chartered Accountants
Registered Auditor

Dartmouth House
Sandwell Road
West Bromwich
West Midlands
B70 8TH

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	Notes	2006 £	2005 £
Turnover		1,500,669	1,475,461
Cost of sales		(1,094,971)	(1,068,025)
Gross profit		<u>405,698</u>	<u>407,436</u>
Administrative expenses (including an exceptional deficit in 2005 on the winding up of the company pension scheme of £266,000)		(369,514)	(612,400)
Operating (deficit)/ surplus	2	<u>36,184</u>	<u>(204,964)</u>
Other interest receivable and similar income		2,575	2,487
Interest payable and similar charges	4	(4,720)	(1,978)
(Deficit)/Surplus on ordinary activities before taxation		<u>34,039</u>	<u>(204,455)</u>
Tax on profit/(loss) on ordinary activities		-	-
(Deficit)/surplus on ordinary activities after taxation	10	<u><u>34,039</u></u>	<u><u>(204,455)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

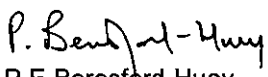
THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

BALANCE SHEET AS AT 31 MARCH 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	5		703,214		601,106
Current assets					
Debtors	6	200,107		165,546	
Cash at bank and in hand		155,969		186,860	
		<u>356,076</u>		<u>352,406</u>	
Creditors: amounts falling due within one year	7	<u>(451,678)</u>		<u>(410,922)</u>	
Net current liabilities			<u>(95,602)</u>		<u>(58,516)</u>
Total assets less current liabilities			607,612		542,590
Creditors: amounts falling due after more than one year	8		<u>(54,757)</u>		<u>(23,775)</u>
			<u>552,855</u>		<u>518,815</u>
Reserves					
Unrestricted funds					
Revaluation reserve	10		40,478		40,478
Other reserves	10		40,172		40,172
General reserve	10		472,205		438,165
Total funds	11		<u>552,855</u>		<u>518,815</u>

These financial statements have been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 31 October 2006


P E Beresford-Huey
Director

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2006

	31 March 2006 Total unrestricted funds £	31 March 2005 Total unrestricted funds £
Incoming resources		
Charitable activities		
Membership	613,853	582,651
Doctor services	464,144	458,717
Nurse based screening	181,125	227,075
Stores and supplies	12,118	8,205
Training courses	229,429	198,813
Other incoming resources		
Investment income	2,575	2,487
Total incoming resources	<u>1,503,244</u>	<u>1,477,948</u>
Resources expended		
Charitable activities		
Direct charitable expenditure	1,094,971	1,068,025
Governance costs	374,234	348,378
Deficit on pension scheme	-	266,000
	<u>1,469,205</u>	<u>1,682,403</u>
Net incoming resources	<u>34,039</u>	<u>(204,455)</u>
Net movement in funds		
Total funds brought forward	<u>518,815</u>	<u>723,270</u>
Total funds carried forward	<u>552,854</u>	<u>518,815</u>

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2006

1	Direct charitable expenditure	2006	2005
		£	£
	Direct costs	292,773	296,801
	Staff costs	724,056	700,497
	Other costs	40,721	38,642
	Depreciation	37,421	32,265
		<u>1,094,971</u>	<u>1,068,025</u>
2	Governance costs		
	Staff costs	120,550	131,480
	Other costs	236,064	203,332
	Depreciation	17,620	13,566
		<u>374,234</u>	<u>348,378</u>

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards. The accounts have been prepared in accordance with the Statement of Recommended Practice - "Accounting by Charities" issued in March 2005.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Nil
Plant and machinery	10 - 25% reducing balance

No depreciation is provided in respect of freehold land and buildings as the directors are of the opinion that their useful economic lives and estimated residual values are such that any element of depreciation is not material.

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.6 Company status

The company is limited by guarantee and is a registered charity.

1.7 Income and expenditure

Income and expenditure is accounted for under the accruals concept.

1.8 Irrecoverable Vat

The company operates a partially exempt vat scheme. Irrecoverable vat is written off in the year as an administrative expense.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

2	Operating profit/(loss)	2006	2005
		£	£
	Operating profit/(loss) is stated after charging:		
	Depreciation of tangible assets	52,994	41,188
	Loss on disposal of tangible assets	2047	4,792
	Auditors' remuneration	2,800	2,500
	Deficit on pension scheme	-	266,000
		<u> </u>	<u> </u>
3	Investment income	2006	2005
		£	£
	Bank interest	2,575	2,487
		<u> </u>	<u> </u>
4	Interest payable	2006	2005
		£	£
	Included in interest payable is the following amount:		
	Hire purchase interest	3,623	1,978
		<u> </u>	<u> </u>

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 April 2005	429,761	462,175	891,936
Additions	45,262	120,085	165,347
Disposals	-	(39,663)	(39,663)
At 31 March 2006	475,023	542,597	1,017,620
Depreciation			
At 1 April 2005	-	290,830	290,830
On disposals	-	(29,418)	(29,418)
Charge for the year	-	52,994	52,994
At 31 March 2006	-	314,406	314,406
Net book value			
At 31 March 2006	475,023	228,191	703,214
At 31 March 2005	429,761	171,345	601,106

The freehold property was revalued in 1998 by the directors at open market value. Additions since that date are included at cost. This treatment is in line with the FRS15 transitional provisions.

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 April 2005	426,387
Additions	45,262
At 31 March 2006	471,649
Depreciation based on cost	
At 1 April 2005	-
Charge for the year	-
At 31 March 2006	-
Net book value	
At 31 March 2006	471,649
At 31 March 2005	426,387

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

5 Tangible fixed assets

(continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book values	
At 31 March 2006	122,563
At 31 March 2005	53,851
Depreciation charge for the year	
At 31 March 2006	25,600
At 31 March 2005	6,895

6 Debtors

	2006 £	2005 £
Trade debtors	200,107	164,505
Other debtors	-	1,041
	<u>200,107</u>	<u>165,546</u>

7 Creditors: amounts falling due within one year

	2006 £	2005 £
Net obligations under hire purchase contracts	42,275	17,370
Trade creditors	106,952	94,537
Taxation and social security	31,893	32,273
Other creditors	270,558	266,742
	<u>451,678</u>	<u>410,922</u>

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

8 Creditors: amounts falling due after more than one year	2006 £	2005 £
Net obligations under hire purchase contracts	54,757	23,775
Net obligations under hire purchase contracts		
Repayable within one year	42,275	17,370
Repayable between one and five years	54,757	23,775
	97,032	41,145
Included in liabilities falling due within one year	(42,275)	(17,370)
	54,757	23,775

9 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £17,331(2005- £17,926). Contributions totalling £501 (2005- £501) were payable to the fund at the year end and are included in creditors.

Until 31 March 1999 the company also operated a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

The most recent actuarial valuation was at 1 April 1997 and showed that the market value of the scheme's assets was £1,318,000 and that the actuarial value of those assets represented 126% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The scheme was discontinued on 31 March 1999 and is being wound up. An initial calculation by the actuary based on the Minimum Funding Requirement is that at 1 December 2004 there is a debt on the employer of approximately £260,000 excluding wind up expenses which are estimated at £6,000. This liability has been provided in the accounts.

10 Statement of movements on reserves

	Revaluation reserve £	Other reserves £	General reserve £
Balance at 1 April 2005	40,478	40,172	438,166
Surplus for the year	-	-	34,039
Balance at 31 March 2006	40,478	40,172	472,205

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2006

11 Reconciliation of movements in funds	2006 £	2005 £
(Deficit)/surplus for the year	34,039	(204,455)
Opening funds	518,815	723,270
Closing funds	552,855	518,815

12 Capital commitments	2006 £	2005 £
At 31 March 2006 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	-	60,000

13 Related party transactions

The directors are also directors of local businesses who use the services of the company. All transactions with those businesses are conducted at arms length in the normal course of the business. The transactions with these companies are not material to the company.

13 Employees

Number of employees

Doctors	2	2
Nurses	14	15
Temporary staff	15	16
Administration	13	13
Miscellaneous	4	7
	48	53

Employment costs	2006 £	2005 £
Wages and salaries	761,423	751,077
Social security costs	66,943	63,569
Other pension costs	16,240	17,331
	844,606	831,977

No remuneration was paid to any director of the company.

There were no high paid staff during the year.