

Company Registration No. 731728 (England and Wales)

**THE MIDLANDS OCCUPATIONAL HEALTH
SERVICE LIMITED**

**DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2003



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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

Clement Keys
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 2003

The directors present their report and financial statements for the year ended 31 March 2003.

Principal activities

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

Legal and administration

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.

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.

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.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

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 2000.

Review of activities

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

Chairman's Report

I am pleased to announce results that reflect a satisfactory year during which sales have remained stable.

The Company has enjoyed an exciting year which included the appointment in July of Laurence Leeming-Latham as Chief Occupational Health Physician following the retirement of Joseph Fletcher. Laurie comes to us with a wealth of experience gained during his 27 years in Occupational Health. At the time of writing he has fitted smoothly into his role and has made some positive progress towards the objectives agreed.

August 2003 will see MOHS reach the significant milestone of its 40th year, an event which will be celebrated by staff both past and present.

Looking back over the past 40 years, whilst the concept of improving the health of workers remains, the method of delivery has changed beyond recognition since the service commenced trading in 1963. For many years the Nurses offered a first-aid treatment service, responding to works accidents and minor injuries during their short daily visits to the client. Today sees our team of Nurses spending much longer within the client company, and the delivery of a holistic package of Occupational Health having replaced the traditional 'plaster' service.

February 2003 saw us mourn the death of David Williams, a founder of the service. David had provided physiotherapy and Chiropractic services on behalf of MOHS since its inception until his retirement in 1997. Following his retirement, David has continued to be very much a part of MOHS and will be sadly missed by all those who had the pleasure of working with him.

Following the purchase of the building adjoining our existing premises, our stable financial performance has enabled us to plan Phase One of the refurbishment which is scheduled to commence during the summer of 2003. It is anticipated that the new First Aid training facilities, including modern presentation equipment, will be operational from September 2003.

In order to ensure that MOHS remains at the forefront of Occupational Health provision in the Midlands, the Management Team are constantly looking at ways to enhance service delivery and feedback tailored to the client's individual needs. With this in mind, 2003/4 will see a focus on developing the role of the Specialist Nurse Practitioner and investment in an updated electronic Occupational Health package which will enable us to provide an enhanced communication and statistics to those clients for whom Occupational Health plays a key role within the workplace.

As ever, our employees have demonstrated their commitment to the Company by continuing to offer a quality service to our portfolio of clients. In an ever changing environment they remain flexible and receptive to the change required to enable us to take advantage of the opportunities open to us.

It remains for me to thank the Directors who have dedicated their precious time and expertise during the year. It is with regret that I announce the retirement of Raymond Markham as a Director of this service. I would like to take this opportunity to thank him for the contribution that he has made during the past 10 years and wish him well for the future.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

Directors

The following directors have held office since 1 April 2002:

P E Beresford-Huey

D A Lynam

R R Markham

(Resigned 2 October 2002)

A Joynson

L G Fisher

Auditors

Clement Keys have agreed to offer themselves for re-appointment as auditors of the company.

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 to 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

2 September 2003

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 on pages 5 to 15 for the year ended 31 March 2003. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, 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 United Kingdom Auditing Standards 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.

Opinion

In our opinion, the financial statements should disclose the following matter. The company operates a defined benefit pension scheme on behalf of its employees. The directors have not complied with the disclosure requirements of Financial Reporting Standard 17- Retirement Benefits on the grounds that the required information in respect of fair values of scheme assets and liabilities at the year end is not available.

Except for the absence of the disclosure referred to in the paragraph above, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Clement Keys

Chartered Accountants
Registered Auditor

2 September 2003

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 2003

	Notes	2003 £	2002 £
Turnover		1,315,104	1,343,708
Cost of sales		(982,663)	(999,480)
Gross profit		332,441	344,228
Administrative expenses		(285,129)	(253,818)
Operating surplus	2	47,312	90,410
Other interest receivable and similar income		1,605	3,087
Interest payable and similar charges	3	(6,618)	(7,254)
Surplus on ordinary activities before taxation		42,299	86,243
Tax on profit on ordinary activities		-	-
Surplus on ordinary activities after taxation	9	42,299	86,243

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.

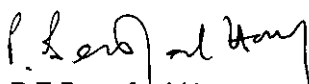
THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

BALANCE SHEET AS AT 31 MARCH 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	4		502,940		438,891
Current assets					
Debtors	5	149,923		177,564	
Cash at bank and in hand		212,970		253,918	
		<u>362,893</u>		<u>431,482</u>	
Creditors: amounts falling due within one year	6	<u>(187,370)</u>		<u>(214,897)</u>	
Net current assets			175,523		216,585
Total assets less current liabilities			678,463		655,476
Creditors: amounts falling due after more than one year	7		<u>(14,360)</u>		<u>(33,672)</u>
			<u>664,103</u>		<u>621,804</u>
Reserves					
Unrestricted funds					
Revaluation reserve	9		40,478		40,478
Other reserves	9		40,172		40,172
General reserve	9		583,453		541,154
Total funds	10		<u>664,103</u>		<u>621,804</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 and with the Financial Reporting Standard for Smaller Entities(effective March 2000).

The financial statements were approved by the Board on 2 September 2003


P E Beresford-Huey
Director

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2003

	31 March 2003 Total unrestricted funds £	31 March 2002 Total unrestricted funds £
Incoming resources		
Membership	597,970	620,969
Doctor services	387,575	377,561
Nurse based screening	160,571	148,849
Stores and supplies	21,277	25,844
Training courses	147,711	170,485
Investment income	1,605	3,087
Total incoming resources	1,316,709	1,346,795
Resources expended		
Direct charitable expenditure	982,663	999,480
Management and administration of the charity	291,747	261,072
	1,274,410	1,260,552
Net incoming resources	42,299	86,243
Net movement in funds		86,243
Total funds brought forward	621,804	535,661
Total funds carried forward	664,103	621,804

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2003

1 Direct charitable expenditure	2003	2002
	£	£
Direct costs	234,723	210,401
Staff costs	666,250	704,834
Other costs	41,848	29,489
Depreciation	40,292	54,756
	<u>982,663</u>	<u>999,480</u>
2 Marketing and promotion		
Staff costs	-	-
	<u>-</u>	<u>-</u>
3 Management and administration of the charity		
Staff costs	96,592	59,210
Administration expenses	91,942	107,688
Establishment expenses	57,366	45,652
Financial costs	33,460	35,176
Depreciation	12,387	13,346
	<u>291,747</u>	<u>261,072</u>

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

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 (revised October 2000).

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.

1.6 Pensions

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

1.7 Company status

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

1.8 Income and expenditure

Income and expenditure is accounted for under the accruals concept.

1.9 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 2003

2	Operating profit	2003	2002
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	51,452	67,684
	Auditors' remuneration	2,500	2,500
		<u> </u>	<u> </u>
3	Interest payable	2003	2002
		£	£
	Included in interest payable is the following amount:		
	Hire purchase interest	6,618	7,254
		<u> </u>	<u> </u>

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 April 2002	223,255	473,972	697,227
Additions	105,872	43,579	149,451
Disposals	-	(85,806)	(85,806)
At 31 March 2003	329,127	431,745	760,872
Depreciation			
At 1 April 2002	-	258,336	258,336
On disposals	-	(51,856)	(51,856)
Charge for the year	-	51,452	51,452
At 31 March 2003	-	257,932	257,932
Net book value			
At 31 March 2003	329,127	173,813	502,940
At 31 March 2002	223,255	215,636	438,891

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 2002	219,881
Additions	105,872
At 31 March 2003	325,753
Depreciation based on cost	
At 1 April 2002	-
Charge for the year	-
At 31 March 2003	-
Net book value	
At 31 March 2003	325,753
At 31 March 2002	219,881

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

4 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 2003	102,070
At 31 March 2002	115,606
Depreciation charge for the year	
31 March 2003	29,603
31 March 2002	38,536

5 Debtors

2003

2002

£

£

Trade debtors

149,923

177,564

6 Creditors: amounts falling due within one year

2003

2002

£

£

Net obligations under hire purchase contracts

33,531

60,324

Trade creditors

122,122

123,634

Taxation and social security

28,315

27,273

Other creditors

3,402

3,666

187,370

214,897

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

7	Creditors: amounts falling due after more than one year	2003 £	2002 £
	Net obligations under hire purchase contracts	14,360	33,672
	Net obligations under hire purchase contracts		
	Repayable within one year	33,531	60,324
	Repayable between one and five years	14,360	33,672
		47,891	93,996
	Included in liabilities falling due within one year	(33,531)	(60,324)
		14,360	33,672

8 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 £19,174 (2002 - £28,608). Contributions totalling £501 (2002 - £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 contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 1 April 1997. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 1.75% per annum in excess of salary increases and that present and future pensions would increase at the rate of 4% per annum.

The pension charge for the year was £nil (2002 - £nil) including £nil (2002 - £nil) in respect of the amortisation of experience surpluses that are being recognised over 10 years, the average remaining service lives of employees.

The most recent actuarial valuation 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. An actuarial valuation of the scheme is to be prepared. The actuary has indicated that the scheme will be in surplus and it is unlikely that there will be any statutory debt on the company.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

9 Statement of movements on reserves

	Revaluation reserve £	Other reserves £	General reserve £
Balance at 1 April 2002	40,478	40,172	541,154
Retained surplus for the year	-	-	42,299
Balance at 31 March 2003	<u>40,478</u>	<u>40,172</u>	<u>583,453</u>

10 Reconciliation of movements in funds

	2003 £	2002 £
Surplus for the year	42,299	86,243
Opening funds	<u>621,804</u>	<u>535,561</u>
Closing funds	<u>664,103</u>	<u>621,804</u>

11 Capital commitments

	2003 £	2002 £
At 31 March 2003 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	<u>-</u>	<u>95,000</u>

12 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.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

13 Employees

Number of employees

Doctors	3	5
Nurses	25	25
Temporary staff	21	17
Administration	11	13
	<u>60</u>	<u>60</u>

Employment costs

	2003	2002
	£	£
Wages and salaries	686,367	725,538
Social security costs	59,179	61,181
Other pension costs	19,174	(22,675)
	<u>764,720</u>	<u>764,044</u>

No remuneration was paid to any director of the company.

There were no high paid staff during the year.