

Clear and Return

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001



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THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

COMPANY INFORMATION

Directors

P E Beresford-Huey
D A Lynam
R R Markham
J A Boulton
L G Fisher
A Joynson

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 2001

The directors present their report and financial statements for the year ended 31 March 2001.

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. At 31 March 2001 the Membership totalled 131.

The members elect their representatives to be councillors on the Committee of Management. Such counselors 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.

Review of activities

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

Chairman's Report

I am pleased, yet again, to report a satisfactory outcome for the financial year. Despite a number of our clients having suffered difficult trading conditions our sales have remained stable.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2001

During 2000/2001, we focused on the visit patterns of the nursing team with a view to raising efficiency and reducing costs. This have been achived by encouraging clients to amalgamate their shorter visits, enabling the nurse to deliver a holistic package of occupational health. To date this has proved an outstanding success in both terms of the quality of service being delivered to our clients and job satisfaction to the nurses involved. This has had the benefit of increasing our competitiveness, now and for the future. Whilst there are sill a minority of clients who prefer to retain their traditional delivery we are confident that in time they will recognise the benefit of change.

True to our commitment to a programme of re-investment, March saw out customised self-drive audiometric testing van take to the road. This has enabled us to expand the geographical area we cover, which has resulted in an increase in sales.

Our culture of effective teamwork ensures that there are opportunities for out employees to develop and expand their abilities. The Service has a strong pool of taken and continued to offer assistance to the training of employees with two nurses currently undertaking the degree in occupational health. As Dr Les Odisend nears completion of his four year training programme, in occupational medicine, we look forward to continuing to benefit from the wealth of knowledge he has gained.

During the year, we have increased our compliment of sessional doctors which has offered us yet further flexibility to take advantage of the opportunities that arise.

The Training Department has continued to prosper and has increased sales by almost 10% during the year.

Quality of service is as important in occupational health as in any other section and MOHS already enjoys a strong reputation in this field. We very much appreciate the efforts of all personnel who have responded positively to the demands for quality services that are such essential ingredients of customer satisfaction. I consider that the Company's strengths will enable us to remain at the force of the occupational health market and to position ourselves for the challenges and opportunities that lie a

I must offer my thanks to the management and staff whose continuing hard work is much appreciated and reflected in our results for the year.

It remains for me to thank the Directors who take time out of their busy schedules to share their wealth of knowledge and expertise to the benefit of the Service. Their contribution is invaluable and greatly appreciated.

Medical Director's report

The Service has enjoyed yet another successful year with a steady demand for medical, nurse based screening and training activities. Over 85% of client companies now have health surveillance programmes in place.

Our compliment of Doctors has now raised giving us the ability to meet the increase in demand.

Two nurses have been recruited to take on the ever-expanding service for audiometry and other nurse based screenings using our new mobile unit. In addition to first aider training, the Training Department is undertaking manual handling training, risk and ergonomic assessments.

Several referrals have been made to Clinical Psychological problems wither to remain at work or return to work sooner than expected. The client companies have benefited with reduced sickness absence incidence rates.

MOHS is increasingly being approached by companies for help with maintaining their drug and alcohol policies and we are able to achieve this by using laboratory tests which enable this process to be undertaken with dignity.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2001

The year has seen the launch of a number of important Government and Health and Safety Commission strategies aimed at improving workplace health. Developing an occupational health strategy for Great Britain - The vision of Occupational Health, emphasising the need for partnership and networking. In June 2000 "Revitalising Health and Safety" directive was published. This is a major review of the long-term future of health and safety in the UK. This has been followed by a 10 year strategy for occupational health "Securing Health Together" with a supporting report on improving access to occupational health. More recently the Government announced that £6m had been allocated to health authorities to provide a full service by March 2002. The service will offer immediate access to advice and treatment for staff after injuries and provide immunisations and health assessments following sick leave. These are all activities in which the Midlands Occupational Health Service already has a great expertise. A partnership with health authorities and NHS occupational health providers will no doubt bring enormous mutual benefits.

I shall be retiring soon from the service. I have been fortunate to have enjoyed the support of all staff, the Chairman, members of the Finance and General Purposes Committee and the council of Management and I am truly grateful. I leave the Service well afloat and I have every confidence that the successes of the past years will continue.

My best wishes to you all.

Dr J S Fletcher MD LRCP MRCS DIH DTM&H MSc FFOM
Director of Occupational Medicine

Directors

The following directors have held office since 1 April 2000:

P E Beresford-Huey
D A Lynam
R R Markham
J A Boulton
L G Fisher
A Joynson

Auditors

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

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2001

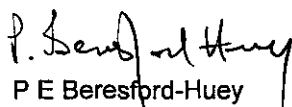
Directors' responsibilities

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

20 July 2001

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

AUDITORS' REPORT

TO THE SHAREHOLDERS OF THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

We have audited the financial statements on pages 6 to 15 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 give a true and fair view of the state of the company's affairs as at 31 March 2001 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

20 July 2001

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 2001

	Notes	2001 £	2000 £
Turnover	2	1,253,069	1,235,282
Cost of sales		(922,846)	(905,393)
Gross profit		330,223	329,889
Administrative expenses		(289,241)	(285,759)
Operating surplus	3	40,982	44,130
Other interest receivable and similar income		4,388	2,361
Interest payable and similar charges	4	(4,604)	(4,476)
Surplus on ordinary activities before taxation		40,766	42,015
Tax on profit on ordinary activities		-	-
Surplus on ordinary activities after taxation	11	40,766	42,015

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.

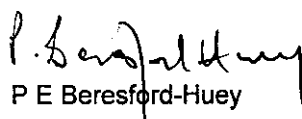
THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

BALANCE SHEET AS AT 31 MARCH 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	5		425,784		372,335
Current assets					
Stocks	6	11,000		11,000	
Debtors	7	145,167		156,800	
Cash at bank and in hand		222,499		183,167	
		<u>378,666</u>		<u>350,967</u>	
Creditors: amounts falling due within one year	8	<u>(231,225)</u>		<u>(220,210)</u>	
Net current assets			<u>147,441</u>		<u>130,757</u>
Total assets less current liabilities			<u>573,225</u>		<u>503,092</u>
Creditors: amounts falling due after more than one year	9		<u>(37,664)</u>		<u>(8,297)</u>
			<u>535,561</u>		<u>494,795</u>
Reserves					
Unrestricted funds					
Revaluation reserve	11		40,478		40,478
Other reserves	11		40,172		40,172
General reserve	11		454,911		414,145
Total funds	12		<u>535,561</u>		<u>494,795</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 20 July 2001


P E Beresford-Huey
Director

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2001

	31 March 2001 Total unrestricted funds £	31 March 2000 Total unrestricted funds £
Incoming resources		
Membership	734,199	722,432
Doctor services	342,632	331,593
Nurses services	-	25,534
Stores and supplies	16,869	24,585
Training courses	159,369	123,563
Investment income	4,388	2,726
Total incoming resources	1,257,457	1,230,433
Resources expended		
Direct charitable expenditure	922,846	905,393
Marketing and promotion	513	27,870
Management and administration of the charity	293,332	262,365
	1,216,691	1,195,628
Net incoming resources	40,766	42,015
Net movement in funds	40,766	42,015
Total funds brought forward	494,795	452,780
Total funds carried forward	535,561	494,795

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2001

1	Direct charitable expenditure	2001	2000
		£	£
	Direct costs	195,081	175,194
	Staff costs	659,545	662,306
	Other costs	38,906	38,222
	Depreciation	29,314	29,671
		<u>922,846</u>	<u>905,393</u>
2	Marketing and promotion		
	Staff costs	-	22,055
	Promotion and advertising	513	5,815
		<u>513</u>	<u>27,870</u>
3	Management and administration of the charity		
	Staff costs	110,717	98,051
	Administration expenses	85,515	82,118
	Establishment expenses	54,436	44,427
	Financial costs	30,092	28,967
	Depreciation	12,572	8,802
		<u>293,332</u>	<u>262,365</u>

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

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 cashflow 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:

Plant and machinery	10 - 25% reducing balance
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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 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.8 Company status

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

1.9 Income and expenditure

Income and expenditure is accounted for under the accruals concept.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2001

3	Operating profit	2001	2000
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	38,596	39,814
	Auditors' remuneration	2,500	2,500
		<u> </u>	<u> </u>
4	Interest payable	2001	2000
		£	£
	Hire purchase interest	4,604	4,476
		<u> </u>	<u> </u>

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2001

5 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Total
	£	£	£
Cost or valuation			
At 1 April 2000	223,255	380,456	603,711
Additions	-	108,334	108,334
Disposals	-	(61,235)	(61,235)
At 31 March 2001	223,255	427,555	650,810
Depreciation			
At 1 April 2000	-	231,375	231,375
On disposals	-	(44,945)	(44,945)
Charge for the year	-	38,596	38,596
At 31 March 2001	-	225,026	225,026
Net book value			
At 31 March 2001	223,255	202,529	425,784
At 31 March 2000	223,255	149,080	372,335

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

	£
Cost	
At 1 April 2000 & at 31 March 2001	219,881
Depreciation based on cost	
At 1 April 2000	-
Charge for the year	-
At 31 March 2001	-
Net book value	
At 31 March 2001	219,881
At 31 March 2000	219,881

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2001

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 2001	93,723
At 31 March 2000	50,254
Depreciation charge for the year	
31 March 2001	12,661
31 March 2000	14,718

6 Stocks	2001 £	2000 £
Drugs and dressings	11,000	11,000

7 Debtors	2001 £	2000 £
Trade debtors	138,587	156,800
Prepayments and accrued income	6,580	-
	145,167	156,800

8 Creditors: amounts falling due within one year	2001 £	2000 £
Net obligations under hire purchase contracts	33,486	15,695
Trade creditors	119,984	117,894
Taxes and social security costs	26,265	32,777
Other creditors	51,490	53,844
	231,225	220,210

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2001

9	Creditors: amounts falling due after more than one year	2001 £	2000 £
	Net obligations under hire purchase contracts	37,664	8,297
	Net obligations under hire purchase contracts		
	Repayable within one year	33,486	15,695
	Repayable between one and five years	37,664	8,297
		71,150	23,992
	Included in liabilities falling due within one year	(33,486)	(15,695)
		37,664	8,297

10 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 £21,604 (2000 - £18,096). Contributions totalling £501 (2000 - £2,561) 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 (2000 - £nil) including £nil (2000 - £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 accounts include a provision of £51,283 which will not be released until completion of the wind up of the scheme.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2001

11 Statement of movements on reserves

	Revaluation reserve £	Other reserves £	General reserve £
Balance at 1 April 2000	40,478	40,172	414,145
Retained surplus for the year	-	-	40,766
Balance at 31 March 2001	<u>40,478</u>	<u>40,172</u>	<u>454,911</u>

12 Reconciliation of movements in funds

	2001 £	2000 £
Surplus for the year	40,766	42,015
Opening funds	<u>494,795</u>	<u>452,780</u>
Closing funds	<u>535,561</u>	<u>494,795</u>

13 Employees

Number of employees

Doctors	5	6
Nurses	24	24
Temporary staff	17	23
Administration	12	13
	<u>58</u>	<u>66</u>

Employment costs

	2001 £	2000 £
Wages and salaries	689,314	705,163
Social security costs	59,344	59,603
Other pension costs	21,604	18,096
	<u>770,262</u>	<u>782,862</u>

No remuneration was paid to any director of the company.

14 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.