

**THE MIDLANDS OCCUPATIONAL
HEALTH SERVICE LIMITED**

FINANCIAL STATEMENTS

31 MARCH 1999

Registered number: ~~230407~~

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THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

FINANCIAL STATEMENTS

for the year ended 31 March 1999

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The following pages do not form part of the statutory accounts

<i>Detailed trading and profit and loss account</i>	Appendix 1
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THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

COMPANY INFORMATION

31 March 1999

NUMBER	230407
CHAIRMAN	P E Beresford-Huey
OTHER DIRECTORS	A Joynson D A Lynam R R Markham J A Boulton L G Fisher
SECRETARY	H Mackenzie
REGISTERED OFFICE	83 Birmingham Road West Bromwich West Midlands
AUDITORS	Clement Keys Chartered Accountants Dartmouth House Sandwell Road West Bromwich West Midlands

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

DIRECTORS' REPORT

31 March 1999

The directors who are also Trustees of the charity have pleasure in presenting their Report and Accounts for the year ended 31 March 1999.

Principal activity

The principal activity of the company is 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 1999 the Membership totalled 146.

The Members elect their representatives to be counsellors on the Committee of Management. Such counsellors constitute directors and trustees of the company for the Companies Act Purposes. The names of directors are listed on page 1.

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 diseases 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.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

DIRECTORS' REPORT

31 March 1999

Review of activities

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

Chairman's report

The health and well-being of employees is a key factor in the success of any business or organisation and whilst we have experienced a slight reduction in users of our traditional nurse visiting service, our membership base has remained relatively stable. Emphasis is now on health surveillance programmes and recognising the value of a healthy workplace and as a result our nurse based screening programme continues to prosper.

A significant contribution has been made by doctoring services which have increased dramatically during the year. At the time of writing the department has a compliment of 3 full-time, 1 part-time and 2 sessional doctors, all of whom, are extremely busy.

Following 2 years of preparation, November 1998 saw the Service accredited with the Investor in People award. The event was marked in January 1999 with a presentation made by Mr David Matthey, Regional Director of the Health and Safety Executive. My congratulations go to all those involved in achieving the award.

Our policy of ensuring that suitable candidates are readily available to provide appropriate management succession has been well illustrated in the recent appointment of Helen Mackenzie as Company Secretary. Helen succeeds Colin Botfield who had held the post of General Manager/Company Secretary since joining the company in 1986. We continue to benefit from the vast experience and diverse skills accumulated by Colin, over many years, as he continues his role as General Manager.

As we approach the Millennium the Management is satisfied that all necessary systems, replacements and modifications have been implemented and the Service will therefore be fully Year 2000 compliant.

Customer satisfaction has remained fundamental in the provision of our service. The positive responses by all employees to ever increasing demands for continuous improvements in performance have been greatly appreciated.

As a result of their continuing efforts we are well placed to take advantage of new business opportunities whilst continuing to care for our existing customers.

I must thank the Management of the Service who continue to identify and pursue opportunities for growth. My particular gratitude goes to the directors of the Service who generously devote their time, despite their busy work schedules, to attend meetings and share their wealth of knowledge and experience. Their contribution to the non-executive management of the Service is invaluable and much appreciated.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

DIRECTORS' REPORT

31 March 1999

Medical Director's report

It is pleasing to report that the activity level has remained fairly steady over the past 12 months. While this indicates that the need for Occupational Health and Safety is ever present, it is important to remember that these needs are complex and vary by organisation and hence the service that we have had to provide also varies.

Screenings and examinations carried out have included those for Hand/Arm Vibration Syndrome, Occupational Hearing Loss, Occupational Asthma, plus statutory examinations for Lead, Ionising Radiation, Asbestos Workers, Light Vehicle, Public Transport, Heavy Goods Vehicle and Forklift Truck Drivers, Food Handlers and Display Screen Equipment Users as well as Executive Medicals, Return to Work and Job Suitability Assessments.

Risk Assessment as required under the Management of Health and Safety at Work Regulations 1992 have been carried out at several companies with recommendations given to reduce the risk to manual handling injuries, upper limb disorders and occupational asthma and dermatitis. Such initiatives have helped reduce the level of work place accidents and more particularly absence attributed to work related ill health to below 3% in a number of companies.

Stress or mental ill health unfortunately remains a major concern with one in five workers in a recent survey affected. The causes are multifactorial with job insecurity and increased workload against the background of organisational restructuring and downsizing identified as major factors. Employee assistance programmes, workplace counselling are some of the helpful ways of dealing with these cases. Our clinical Psychologists have been invaluable in managing some of these cases.

Some changes to Health and Safety Regulations and accompanied Health and Safety Executive Guidance Notes are worthy of mention. The HSE advice on First Aid at Work has been updated to be in line with the latest recommendations on First Aid Practice from the European Resuscitation Council. Employers have a duty under the Health and Safety (First Aid) Regulations 1981 to assess what provision is needed in the workplace. They must provide suitable facilities, equipment and personnel to enable first aid to be administered. Members are encouraged to ensure they meet with the requirements of the regulations. Vitreous mineral fibres - mineral wool, refractory ceramic fibres and special purpose fibres are to be classified as irritants as well as carcinogenic under the CHIPS Amendment (Regulations 1998).

The HSE New guidance to support the Manual Handling Operations Regulations 1992 has also been published. This includes expanded advice on increased risk to pregnant workers; the Disability Discrimination Act and advice on the needs of people with disabilities; the use of abdominal and back belts.

The recently published new set of guidance (COSHH Essentials Package) has been developed to help those working in small firms without in-house expertise to understand and implement the requirements of the COSHH Regulations 1999 using check lists.

The future holds a number of challenges for occupational health providers with escalation of customer demands and needs. However, I am confident that the needs of our Member clients will be championed and met by our dedicated staff, medical, nursing and administration to whom I owe a debt of gratitude. I am also grateful to the Chairman and members of the Finance and General Purposes committee for their continued support.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

DIRECTORS' REPORT

31 March 1999

Financial review

It is pleasing to announce results that reflect a satisfactory year. The turnover increased by 12.5% over the last year and produced a surplus of £53,517. This brings our reserve to £452,780.

The Charity does not raise funds by direct appeals to the public. Its revenue is derived by fees charged for the provision of occupational health care and consultancy services.

The expenditure of the Charity relates to the provision of occupational health care and training courses, training of the medical and administration staff and marketing and administration.

The directors consider that the Charity assets are adequate to meet its obligation and that its financial position is satisfactory.

Auditors

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

On behalf of the board



H Mackenzie
Secretary

83 Birmingham Road
West Bromwich
West Midlands

15 July 1999

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

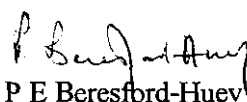
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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
Chairman

15 July 1999

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

AUDITORS' REPORT

Auditors' report to the members of

We have audited the financial statements on pages 5 to 14 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 3, 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 error or other irregularity. 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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

West Bromwich

15 July 1999


Clement Keys
Registered Auditors
Chartered Accountants

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 1999

	<i>Notes</i>	1999	1998
		Total unrestricted funds	Total unrestricted funds
		£	£
Incoming resources			
Membership		722,432	677,561
Doctor services		331,593	235,532
Nurses services		25,534	19,315
Stores and supplies		24,585	24,838
Training courses		123,563	134,414
Investment income		2,726	7,125
Total incoming resources		<u>1,230,433</u>	<u>1,098,785</u>
Resources expended			
Direct charitable expenditure	7	885,226	847,752
Marketing and promotion	8	33,880	44,341
Management and administration of the charity	9	257,810	194,442
Total resources expended		<u>1,176,916</u>	<u>1,086,535</u>
Net incoming resources		53,517	12,250
Loss on revaluation of property		-	(137,473)
Net movement in funds		53,517	(125,223)
Total funds brought forward		399,263	524,486
Total funds carried forward		<u>452,780</u>	<u>399,263</u>

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 March 1999

		1999	1998
	Note	£	£
Turnover	2	1,227,707	1,091,660
Other operating income		2,726	7,124
		<hr/>	<hr/>
		1,230,433	1,098,784
Drugs, dressings and other stores		(37,694)	(44,144)
Staff costs	4	(753,508)	(693,609)
Depreciation	3	(48,500)	(44,721)
Other operating charges		(331,485)	(297,596)
		<hr/>	<hr/>
Operating surplus	3	59,246	18,714
Interest payable	5	(5,729)	(6,464)
		<hr/>	<hr/>
Surplus on ordinary activities before taxation		53,517	12,250
Taxation	6	-	-
		<hr/>	<hr/>
Surplus on ordinary activities after taxation		53,517	12,250
retained for the year	18	<hr/>	<hr/>

Movements in reserves are shown in the notes to the financial statements.

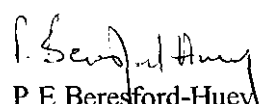
THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

BALANCE SHEET

at 31 March 1999

		1999		1998	
	Note	£	£	£	£
Fixed assets					
Tangible assets	10		388,659		404,620
Current assets					
Stocks	12	11,000		11,000	
Debtors	13	141,967		122,200	
Cash at bank and in hand		141,970		108,212	
			<u>294,937</u>	<u>241,412</u>	
Creditors: amounts falling due within one year	14	(164,032)		(164,528)	
Net current assets			<u>130,905</u>	<u>76,884</u>	
Total assets less current liabilities			<u>519,564</u>	<u>481,504</u>	
Creditors: amounts falling due after more than one year	15		(66,784)	(82,241)	
			<u>452,780</u>	<u>399,263</u>	
Reserves					
Unrestricted funds					
Revaluation reserve	16		40,478		40,478
Other reserves	16		40,172		40,172
General reserve	18		372,130		318,613
Total funds			<u>452,780</u>	<u>399,263</u>	

The financial statements on pages 5 to 12 were approved by the board of directors on 15 July 1999 and signed on its behalf by:


P E Beresford-Huey
Chairman

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1999

1 Accounting policies**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, except for freehold property which is stated at valuation. Profits or losses arising on the disposal of items stated at valuation are determined by reference to the difference between the valuation and the sale proceeds.

The accounts have been prepared in accordance with the statement of Recommended Practice No 2 for Accounting by Charities published in October 1995.

The financial statements have also been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Income and expenditure

Income and expenditure is accounted for under the accruals concept.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant, vehicles and equipment	10%-25% reducing balance
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No depreciation is provided on freehold buildings as the directors are of the opinion that their useful economic lives and estimated residual lives are such that any element of depreciation is not material.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way to give a reasonably constant charge on the outstanding liability.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1999

1 Accounting policies (continued)

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Company status

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

2 Turnover

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

3 Operating profit

	1999	1998
	£	£
Operating profit is stated after crediting:		
Interest receivable	2,726	7,124
Profit on sale of assets	-	361
	<u> </u>	<u> </u>
and after charging:		
Staff costs (note 4)	753,508	693,609
Auditors' remuneration	2,500	2,500
Loss on sale of assets	2,814	-
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 7):		
Owned assets	20,629	19,219
Leased assets	25,057	25,863
	<u> </u>	<u> </u>
	<u>45,686</u>	<u>45,082</u>

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1999

4 Directors and employees

	1999	1998
Staff costs including directors' emoluments	£	£
Wages and salaries	691,962	633,891
Social security costs	46,699	51,218
Pension costs	14,847	8,500
	<u>753,508</u>	<u>693,609</u>
Average monthly number employed including executive directors:	Number	Number
Doctors	6	4
Nurses	26	29
Temporary staff	41	36
Administration	10	12
	<u>83</u>	<u>81</u>

Directors

No remuneration was paid to any directors of the company.

Defined benefit pension scheme

Until 31 March 1999 the company 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 increases in salaries and pensions. It was assumed that the investment returns would exceed salary increases by on average 1.75% per annum and that present and future pensions would increase at the rate of 4% per annum.

The pension charge for the year was £14,847 (1998 £8,500) including £34,266 (1998 £33,084) in respect of the amortisation of experience surpluses that are being recognised over 10 years, the average remaining service lives of employees.

The actuarial valuation showed that the market value of the scheme's assets at 1 April 1997 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 at that date is to be prepared, on the Minimum Funding Requirement basis. The actuary has indicated that on that basis the scheme will be in surplus. It is therefore unlikely that there will be any statutory debt on the company. The accounts include a pension provision of £51,283 (1988 £51,283). No release of this provision will be made until completion of the wind up of the pension scheme.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1999

5 Interest payable

1999	1998
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£	£
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Hire purchase interest	5,729	6,464
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6 Taxation

The company is a registered charity and is exempt from corporation tax.

7 Direct charitable expenses

Direct costs	145,582	139,443
Staff costs	646,120	620,007
Other costs	55,178	57,038
Depreciation	38,346	31,264
	<u>885,226</u>	<u>847,752</u>

8 Marketing and promotion

Staff costs	29,725	37,641
Promotion and advertising	4,155	6,700
	<u>33,880</u>	<u>44,341</u>

9 Management and administration of the charity

Staff costs	77,663	38,857
Administration expenses	96,140	77,728
Establishment costs	43,088	33,712
Financial costs	30,765	30,688
Depreciation	10,154	13,457
	<u>257,810</u>	<u>194,442</u>

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1999

10 Tangible fixed assets

	Plant and machinery	Land and buildings	Total
Cost or valuation	£	£	£
1 April 1998	362,875	220,000	582,875
Additions	34,284	3,255	37,539
Disposals	(27,709)	-	(27,709)
31 March 1999	<u>369,450</u>	<u>223,255</u>	<u>592,705</u>
Depreciation			
1 April 1998	178,255	-	178,255
Charge for the year	45,686	-	45,686
Disposals	(19,895)	-	(19,895)
31 March 1999	<u>204,046</u>	<u>-</u>	<u>204,046</u>
Net book amount			
31 March 1999	<u>165,404</u>	<u>223,255</u>	<u>388,659</u>
1 April 1998	<u>184,620</u>	<u>220,000</u>	<u>404,620</u>

The net book amount of fixed assets includes £75,170 (1998 £98,936) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

11 Land and buildings

	1999	1998
	£	£
Freehold	<u>223,255</u>	<u>220,000</u>
Freehold land and buildings at valuation		
Valuation 1998	<u>220,000</u>	<u>220,000</u>
Historical cost information		
Historical cost	<u>219,881</u>	<u>216,626</u>

The freehold property was valued in 1998 by the directors at an estimate of open market value.

THE MIDLANDS OCCUPATIONAL HEALTH SERVICE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1999

12 Stocks

	1999	1998
	£	£
Raw materials	<u>11,000</u>	<u>11,000</u>

13 Debtors

Amounts falling due within one year

Trade debtors	141,175	118,358
Other debtors	792	3,842
	<u>141,967</u>	<u>122,200</u>

14 Creditors: amounts falling due within one year

Trade creditors	108,879	95,769
Other taxation and social security	27,355	30,965
Other creditors	-	3,419
Obligations under finance leases and hire purchase contracts - note 20	27,798	34,375
	<u>164,032</u>	<u>164,528</u>

15 Creditors: amounts falling due after more than one year

Other creditors	51,283	51,283
Obligations under finance leases and hire purchase contracts	15,501	30,958
	<u>66,784</u>	<u>82,241</u>