

Registered number: 2530527

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023  
FOR  
QUALITY LEISURE MANAGEMENT LIMITED**

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## **QUALITY LEISURE MANAGEMENT LIMITED**

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**QUALITY LEISURE MANAGEMENT LIMITED**

**COMPANY INFORMATION**  
**for year ended 31 March 2023**

**DIRECTORS:**

S A King  
N C Coote  
L Simmonds

**SECRETARY:**

SGH Company Secretaries Limited

**REGISTERED OFFICE:**

The Old Church  
31 Rochester Road  
Aylesford  
Kent  
ME20 7PR

**REGISTERED NUMBER:**

2530527 (England and Wales)

**CHARTERED ACCOUNTANTS:**

Crowe U.K. LLP  
Chartered Accountants & Registered Auditors  
Riverside House  
40-46 High Street  
Maidstone  
Kent  
ME14 1JH

**QUALITY LEISURE MANAGEMENT LIMITED**  
**for year ended 31 March 2023**

**REPORT OF THE DIRECTORS**

The directors present their report with the financial statements of the Company for the year ended 31 March 2023.

**PRINCIPAL ACTIVITIES**

The principal activity of the Company in the year under review was that of consultancy to the tourism and leisure industry.

**REVIEW OF BUSINESS**

Business started strongly in 2022 for both auditing and training as there was pent-up demand post the pandemic abating. Training requirements dropped slightly towards the latter part of the financial year though training via video conferencing remained popular. In addition to reducing staff travel time and costs recharged to clients, video conferencing affords greater accessibility to those clients only requiring a small number of participants or for those who were unable to attend the inhouse delivered course.

Demand for audits remained strong, involving support for clients in verifying processes and procedures as their facilities returned to fully operational status. Both audit and training income streams were significantly up on management's expectations.

Consultancy in relation to health and safety and quality systems was a significant source of income in 2022-23 with QLM supporting clients in the development of their policies, processes, procedures and systems.

Expert witness work was lower than in previous years as leisure facilities were closed for significant periods during the pandemic and UK courts are struggling to catch up with delays and postponements.

Cost of sales increased in proportion to income. Consultant and subcontractor salaries and fees were reflective of the higher costs of delivery as well as greater activity.

**QUALITY LEISURE MANAGEMENT LIMITED**  
for the year ended 31 March 2023

**REPORT OF THE DIRECTORS**

<b>KEY PERFORMANCE INDICATORS</b>		31.3.23	31.3.22
	Notes	£	£
Earnings before interest, tax, depreciation and amortization (EBITDA)		119,903	83,577
Add back: management charge from PHSC plc		24,000	24,000
	a	<u>143,903</u>	<u>107,577</u>
Turnover		402,443	323,568
Gross profit		273,883	218,568
<b>Gross profit margin</b> ( <i>gross profit / turnover</i> )	b	<b>68%</b>	<b>68%</b>
Trade debtors		70,529	47,111
Trade debtors excluding VAT		58,774	39,259
<b>Debtor days</b> ( <i>trade debtors excluding VAT / turnover x 365</i> )	c	<b>53</b>	<b>44</b>
Current assets		199,052	226,586
Less: amounts owed by group companies		(105,588)	(8,669)
		<u>93,464</u>	<u>217,917</u>
Current liabilities		122,672	198,275
Amounts owed to group companies		(1,144)	(81,882)
		<u>121,528</u>	<u>116,393</u>
<b>Current ratio</b> ( <i>current assets / current liabilities</i> ) ( <i>excluding balances with group co's</i> )	d	<b>0.8</b>	<b>1.9</b>
<b>Staff statistics (excluding directors)</b>	e		
Joiners during the year		-	1
Leavers during the year		-	-
Average length of service per staff member (years)		9	8

Notes:

- (a) The key figure for profitability used by the directors and management team is EBITDA with the management charges from PHSC plc added back. This figure forms the basis of announcements of the consolidated group results to investors.
- (b) The gross profit margin (GPM) is tracked monthly as this reflects the core profitability of the Company and illustrates the financial success of the services being provided by QLM. A GPM of 68% was maintained for the year ended 31 March 2023.
- (c) Debtor days shows how quickly sales are converted into cash; QLM currently waits just over 1.5 months to be paid.
- (d) The current ratio is used to monitor the liquidity of QLM. The figure dropped to 0.8 for the year ended 31 March 2023 due to a £50k bank transfer to another subsidiary. This reduced QLM's current assets as defined by the current ratio by £50k due to the exclusion of amounts owed by group companies from the calculation.
- (e) There were no changes in staff during the year.

**QUALITY LEISURE MANAGEMENT LIMITED**  
**for the year ended 31 March 2023**

**REPORT OF THE DIRECTORS**

**DIVIDENDS**

A dividend of £50,000 (2022 - £80,000) was paid to the holding company, PHSC plc, during the year.

**DIRECTORS**

The directors during the year under review were:

S A King  
N C Coote  
I. Simmonds

**INTERNAL CONTROLS**

The directors acknowledge their responsibilities for the Company's systems of internal control. The directors consider all major business and financial risks and resolve strategic decisions. Accepting that no system of control can provide absolute assurance against material misstatement or loss, the directors believe that the established systems for internal control within the Company are appropriate to the business.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the Company's strategy are subject to several risks and uncertainties. As the Company is a 100% subsidiary of PHSC plc, it is appropriate to consider these in the context of the Group as a whole. Further discussion is provided in note 1 to the financial statements of the Group's annual report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss for that period. In preparing the 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

**QUALITY LEISURE MANAGEMENT LIMITED**  
**for the year ended 31 March 2023**

**REPORT OF THE DIRECTORS**

**GOING CONCERN**

Trading has returned to pre-pandemic levels with high staff utilisation and management expectations are for this trend to continue. The Company is fortunate that it can access support from its holding company, PHSC plc with its considerable financial resources. Consequently, the directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future.

**AUDIT EXEMPTION UNDER SECTION 479A COMPANIES ACT 2006**

For the year ended 31 March 2023, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The holding company, PHSC plc, has not required QLM to obtain an audit of its accounts for the year in question, in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect of accounting records and the preparation of accounts.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'S A King', written over a horizontal line.

S A King - Director  
24 August 2023

**QUALITY LEISURE MANAGEMENT LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 March 2023

	Note	31.3.23 £	31.3.22 £
<b>Revenue</b>	3	402,443	323,568
Cost of sales		<u>(128,560)</u>	<u>(105,000)</u>
<b>GROSS PROFIT</b>		273,883	218,568
Administrative expenses		<u>(160,411)</u>	<u>(145,905)</u>
<b>OPERATING PROFIT</b>		113,472	72,663
Other income	4	<u>-</u>	<u>4,269</u>
<b>PROFIT BEFORE TAXATION</b>	5	113,472	76,932
Income tax charge	8	<u>(21,527)</u>	<u>(14,681)</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		91,945	62,251
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>91,945</u>	<u>62,251</u>
Attributable to equity holders		91,945	62,251

All amounts relate to continuing activities.

Accounting policies and notes on pages 10 to 17 form part of these financial statements



## QUALITY LEISURE MANAGEMENT LIMITED

## STATEMENT OF FINANCIAL POSITION

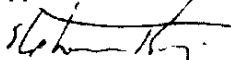
as at 31 March 2023

	Note	31.3.23 £	31.3.22 £
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	1,926	8,204
<b>CURRENT ASSETS</b>			
Inventory	10	250	250
Trade and other receivables	11	188,009	61,965
Cash and cash equivalents		10,793	164,372
		<u>199,052</u>	<u>226,587</u>
<b>TOTAL ASSETS</b>		<b>200,978</b>	<b>234,791</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	100,991	178,191
Right of use liabilities	13	-	5,637
Current corporation tax payable		21,681	14,447
		<u>122,672</u>	<u>198,275</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax	14	482	637
		<u>482</u>	<u>637</u>
<b>TOTAL LIABILITIES</b>		<b>123,154</b>	<b>198,912</b>
<b>NET ASSETS</b>		<b><u>77,824</u></b>	<b><u>35,879</u></b>
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS</b>			
Called up share capital	15	100	100
Retained earnings		77,724	35,779
		<u>77,824</u>	<u>35,879</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006. The majority shareholder of PHSC plc, the parent company owning 100% of the share capital of ISL, has not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

Approved and authorised for issue by the Board on 24 August 2023 and signed on its behalf by:



S A King – Director

Accounting policies and notes on pages 10 to 17 form part of these financial statements

**QUALITY LEISURE MANAGEMENT LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 March 2023**

	Share Capital £	Retained Earnings £	Total £
<b>Balance at 1 April 2022</b>	100	35,779	35,879
Total comprehensive income	-	91,945	91,945
Dividends paid	-	(50,000)	(50,000)
<b>Balance at 31 March 2023</b>	<u>100</u>	<u>77,724</u>	<u>77,824</u>
<b>Balance at 1 April 2021</b>	100	53,528	53,628
Total comprehensive income	-	62,251	62,251
Dividend paid	-	(80,000)	(80,000)
<b>Balance at 31 March 2022</b>	<u>100</u>	<u>35,779</u>	<u>35,879</u>

Accounting policies and notes on pages 10 to 17 form part of these financial statements

**QUALITY LEISURE MANAGEMENT LIMITED**

**STATEMENT OF CASH FLOWS  
for the year ended 31 March 2023**

	Note	31.3.23 £	31.3.22 £
<b>Cash flows (used by)/generated from operating activities:</b>			
Cash generated from operations	I	(83,341)	150,645
Group tax relief payment		-	-
Taxation paid		(14,448)	(14,639)
<b>Net cash (used by)/ generated from operating activities</b>		<b>(97,789)</b>	<b>136,006</b>
<b>Cash flows used by investing activities</b>			
Purchase of property, plant and equipment		-	(1,414)
<b>Net cash used by investing activities</b>		<b>-</b>	<b>(1,414)</b>
<b>Cash flows used by financing activities</b>			
Payments on right of use assets		(5,790)	(5,790)
Dividends paid to Group shareholders		(50,000)	(80,000)
<b>Net cash used by financing activities</b>		<b>(55,790)</b>	<b>(85,790)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(153,579)</b>	<b>48,802</b>
Cash and cash equivalents at beginning of year		164,372	115,570
<b>Cash and cash equivalents at end of year</b>		<b>10,793</b>	<b>164,372</b>

**NOTES TO THE GROUP STATEMENT OF CASH FLOWS  
for the year ended 31 March 2023**

	31.3.23 £	31.3.22 £
<b>I. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	113,472	76,932
Depreciation charge	6,431	6,645
Loss on disposal fixed assets	-	1,019
(Increase)/decrease in trade and other receivables	(126,044)	(21,778)
(Decrease)/increase in trade and other payables	(77,200)	87,827
<b>Cash (used by)/ generated from operations</b>	<b>(83,341)</b>	<b>150,645</b>

## **QUALITY LEISURE MANAGEMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023**

#### **1. BASIS OF PREPARATION**

The Company's financial statements have been prepared in accordance with IFRSs, in conformity with the requirements of the Companies Act 2006, International Financial Reporting Intermediate Committee (IFRIC) interpretations and under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 18.

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate and in accordance with Financial Reporting Council guidance have provided reasons for this opinion in the going concern section of the directors' report on page 5.

There are no standards that are issued but not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### **2. ACCOUNTING POLICIES**

##### **Revenue**

Revenue which excludes value added tax, represents the amount receivable in respect of services provided to customers.

The Company provides services such as one-off consultancy, training, and health & safety audits. Revenue from services is recognised as the services are provided as this is the point at which the performance obligations are fulfilled. In respect of services invoiced in advance, amounts are deferred until provision of the service. The Company also provides annual contracts for health and safety support services. Revenue is recognised evenly across the length of the contract as this is considered the best estimate of the fulfilment of the performance obligations.

Customer payment terms are generally 30 days from the date of invoice for all revenue streams.

##### **Government grants**

These relate to amounts received from the government via the CJRS and pandemic related business grants. The income is accounted for on an accrual's basis and is recognised in the statement of comprehensive income as other income.

##### **Deferred income tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## **QUALITY LEISURE MANAGEMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023**

#### **ACCOUNTING POLICIES continued**

##### **Segmental reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The directors regard the operations of the Company as being one business segment. Further analysis of revenue is disclosed in note 3.

##### **Pensions**

The Company operates a defined contribution pension scheme. Contributions payable for the year are charged to the income statement.

##### **Property, plant and equipment**

Property, plant and equipment are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of non-current assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture, fittings and equipment – 25% reducing balance

##### **Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified assets; this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all the capacity of a physically distinct asset.
- The Company has the right to obtain substantially all the economic benefits from use of the assets throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if the Company has the right to operate the asset.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. The effect of discounting is considered immaterial to the financial statements, so the values recorded represent the gross undiscounted amounts.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

##### **Inventory**

Inventory is valued at the lower of cost and net realisable value after making allowance for obsolete and slow-moving stocks. The costs of inventory are calculated on a first in first out basis.

**QUALITY LEISURE MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – continued  
for the year ended 31 March 2023**

**ACCOUNTING POLICIES** continued

**Financial instruments**

Trade receivables and contract assets are initially stated at fair value and subsequently measured at amortised cost using the effective interest method. The carrying amounts for accounts receivable are net of allowances for expected credit losses. The Company evaluated the expected credit losses on trade receivables by reviewing historical data. Individual receivables are only written off when management deems them not collectible.

**3. REVENUE**

The revenue of the Company during the year was generated in the United Kingdom and derives from the same class of business as noted in the Directors' Report.

**4. OTHER INCOME**

Government Grants	31.3.23	31.3.22
	£	£
Government coronavirus job retention scheme	-	4,269
	<u>-</u>	<u>4,269</u>

**5. PROFIT BEFORE TAXATION**

The profit before taxation is stated after charging:	31.3.23	31.3.22
	£	£
Depreciation – owned assets	641	855
Depreciation – right of use assets	<u>5,790</u>	<u>5,790</u>

**6. DIRECTORS' REMUNERATION**

	31.3.23	31.3.22
	£	£
Directors' emoluments and other benefits	67,596	64,571
Pension contributions	<u>2,201</u>	<u>1,643</u>
	<u>69,797</u>	<u>66,214</u>

**7. STAFF COSTS**

The average monthly number of employees during the year was as follows:

Directors	3	3
Consultants	2	2
Administration	<u>1</u>	<u>1</u>
	<u>6</u>	<u>6</u>

The aggregate payroll costs of these persons were as follows:

	31.3.23	31.3.22
	£	£
Wages and salaries	150,575	133,898
Social security costs	15,588	13,614
Other pension costs	<u>5,322</u>	<u>3,567</u>
	<u>171,485</u>	<u>151,079</u>

The directors are considered to be key management personnel of the Company.

**QUALITY LEISURE MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – continued  
for the year ended 31 March 2023**

**8. INCOME AND DEFERRED TAX CHARGES**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	31.3.23	31.3.22
	£	£
Current tax:		
UK corporation tax at 19% (2022 – 19%)	21,682	14,447
Corporation tax under provision in respect of prior years	-	(8)
Total current tax	<u>21,682</u>	<u>14,439</u>
Deferred tax:		
Origination and reversal of timing differences	(155)	242
Total tax charge	<u>21,527</u>	<u>14,681</u>

**Factors affecting the tax charge**

The tax assessed for the year is lower (2022 – lower) than the standard rate of corporation tax in the UK.

The difference is explained below:

	31.3.23	31.3.22
	£	£
Profit on ordinary activities before tax	<u>113,472</u>	<u>76,932</u>
Tax on profit on ordinary activities at standard corporation tax rate of 19% (2022: 19%)	21,560	14,617
Effects of:		
Super deduction	-	(81)
Adjustment to tax charge in respect of previous periods	-	(8)
Differences due to deferred tax rate being higher than standard corporation tax rate	(32)	153
Underprovided deferred tax	-	-
Total tax charge	<u>21,527</u>	<u>14,681</u>

**9. TANGIBLE FIXED ASSETS**

	Property Improvements £	Plant and Equipment £	Right of Use Assets £	Totals £
<b>COST OR VALUATION</b>				
At 1 April 2022	24,441	8,259	17,645	50,345
Additions	-	-	153	153
Disposals	-	-	-	-
At 31 March 2023	<u>24,441</u>	<u>8,259</u>	<u>17,798</u>	<u>50,498</u>
<b>DEPRECIATION</b>				
At 1 April 2022	24,441	5,692	12,008	42,141
Charge for the year	-	641	5,790	6,431
Disposals	-	-	-	-
At 31 March 2023	<u>24,441</u>	<u>6,333</u>	<u>17,798</u>	<u>48,572</u>
<b>NET BOOK VALUE</b>				
At 31 March 2023	<u>-</u>	<u>1,926</u>	<u>-</u>	<u>1,926</u>
At 31 March 2022	<u>-</u>	<u>2,567</u>	<u>5,637</u>	<u>8,204</u>

**QUALITY LEISURE MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – continued  
for the year ended 31 March 2023**

**10. INVENTORY**

	31.3.23	31.3.22
	£	£
Finished goods	<u>250</u>	<u>250</u>

The value of the inventory consumed and recognised as an expense was £nil (2021: nil).

**11. TRADE AND OTHER RECEIVABLES**

	31.3.23	31.3.22
	£	£
Trade receivables	70,529	47,111
Amounts owed by group undertakings	105,588	8,669
Other receivables, prepayments and accrued income	<u>11,892</u>	<u>6,185</u>
	<u>188,009</u>	<u>61,965</u>

The recoverability of receivables is not considered to be a significant issue to the Company. Many customers have a long-standing relationship with QLM. A clearly defined procedure for credit control is in place and the level and age of debtors are reviewed on a regular basis by both the company directors and by the board of PHSC plc.

The ageing analysis of the trade receivables is as follows:

	31.3.23	31.3.22
	£	£
Current	37,732	32,937
One month old	29,388	3,851
Two to six months old	3,409	10,323
Over six months old	<u>-</u>	<u>-</u>
	<u>70,529</u>	<u>47,111</u>

Some of the trade receivables are past due but there are none considered impaired as at 31 March 2023 (2022: none). The receivables due at the end of the financial year relate to trading customers



**QUALITY LEISURE MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – continued**  
for the year ended 31 March 2023

**12. TRADE AND OTHER PAYABLES**

	31.3.23	31.3.22
	£	£
Trade payables	418	442
Amounts due to ultimate holding company	-	80,795
Amounts owed to group undertakings	1,144	1,087
Social security and other taxes	28,568	27,998
Other payables	1,106	927
Accrued expenses	5,960	6,080
Contract liabilities	63,795	60,862
	<u>100,991</u>	<u>178,191</u>

On 1 January 2010, the Company and the PHSC plc Group entered an unlimited multilateral guarantee with HSBC plc. This facility is reviewed annually. The Company's balance as at 31 March 2023 was £10,793 (2022: £164,372) within the Group's cash at bank and in hand figure of £749,627 (2022: £649,363).

**13. LEASES**

	31.3.23	31.3.22
	£	£
Amounts due in under one year – right of use liabilities	-	5,637
Amounts due in over one year – right of use liabilities	-	-
	<u>-</u>	<u>5,637</u>

**14. DEFERRED TAXATION**

	31.3.23	31.3.22
	£	£
Deferred taxation	<u>482</u>	<u>637</u>
	Deferred	Deferred
	tax	tax
	£	£
At 1 April 2022	637	395
Deferred tax credit in year (see note 8)	(155)	242
At 31 March 2023	<u>482</u>	<u>637</u>

**15. SHARE CAPITAL**

Allotted, issued and fully paid	31.3.23	31.3.23	31.3.22	31.3.22
	Number	£	Number	£
"A" Ordinary shares of £1 each	35	35	35	35
"B" Ordinary shares of £1 each	57	57	57	57
"C" Ordinary shares of £1 each	5	5	5	5
"D" Ordinary shares of £1 each	3	3	3	3
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Each of the above share classes carry the same right to vote but different rights to dividends. The share structure was set up pre acquisition of the Company by PHSC plc with the aim of providing flexibility in payments to the directors of the Company at that time.

# QUALITY LEISURE MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS – continued for the year ended 31 March 2023

### 16. RELATED PARTY DISCLOSURES

A management charge is levied by PHSC plc to its subsidiary companies to reflect the central services it provides.

	31.3.23	31.3.22
	£	£
Management charge from PHSC plc to QLM	<u>24,000</u>	<u>24,000</u>

The inter-company balances between QLM and the other companies within the PHSC plc group are summarised below.

	31.3.23	31.3.22
	£	£
Amounts owed by group undertakings		
PHSC plc	48,213	-
B2BSG Solutions Limited	50,000	
Personnel Health and Safety Consultants Limited	5,441	6,348
QCS International Limited	<u>1,934</u>	<u>2,321</u>
	<u>105,588</u>	<u>8,669</u>
Amounts owed to group undertakings		
PHSC plc	-	80,795
RSA Environmental Health Limited	<u>1,144</u>	<u>1,087</u>
	<u>1,144</u>	<u>81,882</u>

### 17. FINANCIAL INSTRUMENTS

Set out below are the Company's financial instruments:

	31.3.23	31.3.22
	£	£
<b>Financial assets at amortised cost</b>		
Trade and other receivables	188,009	61,965
Cash and cash equivalents	<u>10,793</u>	<u>164,372</u>
	<u>198,802</u>	<u>226,337</u>
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	<u>100,991</u>	<u>178,191</u>
	<u>100,991</u>	<u>178,191</u>
Due within 1 year	100,991	178,191
Due in over 1 year	-	-
	<u>100,991</u>	<u>178,191</u>

The Company's principal financial instruments comprise cash, short term borrowings and various items such as trade receivables, trade payables etc. that arise directly from operations. The main purpose of these financial instruments is the funding of the Company's trading activities.

## **QUALITY LEISURE MANAGEMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS – continued for the year ended 31 March 2023**

#### **FINANCIAL INSTRUMENTS** continued

The main risks arising from the Company's financial instruments are liquidity risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous periods.

The source currency of the assets and liabilities of the Company are held in sterling and all transactions are in sterling. The Company is not therefore exposed to currency risk.

#### **Liquidity risk**

The Company seeks to manage financial risk by ensuring sufficient liquidity is available from current banking facilities to meet foreseeable needs and to invest cash assets safely and profitably.

#### **Credit risk**

The Company's principal financial assets are cash and trade receivables. The credit risk associated with the cash is limited and the risk of non-payment through credit sales is monitored very closely by the directors.

#### **Fair values**

The fair values of the Company's financial instruments are considered not to be materially different to their book value.

#### **18. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Company may be required to make estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The principal areas where judgement was exercised are as follows:

- Recoverability of trade debtors: the directors annually assess whether a bad debt provision is required for any bad or doubtful debtor balances.
- Revenue recognition: revenue from services is recognised as the services are provided as this is the point at which the performance obligations are fulfilled. In respect of annual support service contracts, revenue is recognised evenly across the length of the contract as this is considered the best estimate of the fulfilment of the performance obligations.

#### **19. PARENT UNDERTAKING**

PHSC plc, incorporated in England and Wales, is the ultimate parent company of the group. There is no ultimate controlling party but the largest shareholder, Mr S A King, group chief executive, owns 21.62% (2022: Mr S A King 21.62%) of the issued share capital of PHSC plc. The parent company operates within the UK and its accounts may be obtained from the same registered office address as noted on page 1 of these accounts.