

Registered Number : 03293551

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008
FOR
RSA ENVIRONMENTAL HEALTH LIMITED**

SATURDAY



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RSA ENVIRONMENTAL HEALTH LIMITED
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for the year ended 31 March 2008

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RSA ENVIRONMENTAL HEALTH LIMITED

COMPANY INFORMATION
for the year ended 31 March 2008

DIRECTORS:

S A King
N C Coote
S P Letley

SECRETARY:

S A King

REGISTERED OFFICE:

The Old Church
31 Rochester Road
Aylesford
Kent
ME20 7PR

REGISTERED NUMBER:

03293551 (England and Wales)

AUDITORS:

Littlejohn
Chartered Accountants & Registered Auditors
1 Westferry Circus
Canary Wharf
London
E14 4HD

RSA ENVIRONMENTAL HEALTH LIMITED

REPORT OF THE DIRECTORS

for the year ended 31 March 2008

The directors present their report with the financial statements of the Company for the year ended 31 March 2008

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of providing consultancy services and training in respect of general health and safety together with the sale of associated health and safety and other products

REVIEW OF BUSINESS

Turnover and profit for the year ended 31 March 2008 compare favourable to the previous year with a modest year on year increase

In the new financial year greater emphasis is being placed on the core activity of providing agency staff solutions. Investment has been made in the retraining of staff to produce a higher standard of candidate and provide better client care. A new software system has been purchased to manage and match opportunities and candidates. It is believed that these combined measures will improve efficiency and help RSA compete in an increasingly competitive market. Furthermore, the opportunity is being taken to expand services and deliver a permanent recruitment solution to sit alongside the established agency work. Emphasis will be placed on recruitment in the health and safety sector, which aligns with the strength and expertise of RSA and the other companies within the PHSC plc group. RSA has contracted a permanent recruitment company to help establish and grow this potentially lucrative activity.

RSA has been successful in continuing to develop the Safety Advisor Service, which remains the cornerstone of the PHSC plc Group business activity. Utilising the synergy of skills across the group the service can be delivered effectively and profitably to businesses looking for long term partnerships. RSA saw Advisor Services sales grow over 35% to £86,400 during the year ended 31 March 2008.

DIVIDENDS

No dividends were paid during the year ended 31 March 2008 (2007 - nil)

DIRECTORS

The directors during the year under review were

S A King
N C Coote
S P Letlev

POLITICAL AND CHARITABLE CONTRIBUTIONS

No charitable donations (2007 - nil) were made by the Company during the year

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 then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements
- 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.

RSA ENVIRONMENTAL HEALTH LIMITED

REPORT OF THE DIRECTORS **for the year ended 31 March 2008**

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each of the directors is aware at the time the report is approved

- There is no relevant audit information of which the Company's auditors are unaware, and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information (s 234ZA(2))

AUDITORS

Since the previous Annual General Meeting, our auditors CLB Littlejohn Frazer, have changed their name to Littlejohn. A resolution to re-appoint Littlejohn will be proposed at the Annual General Meeting

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

ON BEHALF OF THE BOARD



S A King - Secretary

14 July 2008

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF RSA ENVIRONMENTAL HEALTH LIMITED

We have audited the Financial Statements of RSA Environmental Services Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the accounting policies and the related notes 1 to 15. These Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders as a body for our audit work, for this report or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

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

In addition, we report to you, if in our opinion the Company has not kept proper accounting records, 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 other transactions 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 Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the Financial Statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the Financial Statements.

Littlejohn
Chartered Accountants & Registered Auditors
1 Westferry Circus
Canary Wharf
London E14 4HD

14 July 2008

RSA ENVIRONMENTAL HEALTH LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2008

	Notes	31 3 08 £	31 3 07 £
TURNOVER	2	970 512	966 359
Cost of sales		<u>715,220</u>	<u>694,533</u>
GROSS PROFIT		255,292	271 826
Administrative expenses		<u>228 009</u>	<u>246 539</u>
OPERATING PROFIT	4	27,283	25,287
Interest receivable and similar income		<u>794</u>	<u>906</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		28,077	26,193
Tax on profit on ordinary activities	5	<u>6,046</u>	<u>5,214</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>22,031</u>	<u>20,979</u>

CONTINUING OPERATIONS

All turnover and operating profit is derived from continuing activities

TOTAL RECOGNISED GAINS AND LOSSES

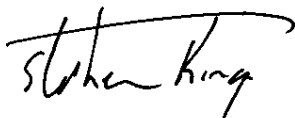
The Company has no recognised gains or losses other than the profits for the current year

RSA ENVIRONMENTAL HEALTH LIMITED

BALANCE SHEET 31 March 2008

	Notes	31 3 08 £	£	31 3 07 £	£
FIXED ASSETS					
Intangible assets	6		7,500		8 750
Tangible assets	7		<u>6,655</u>		<u>4,448</u>
			14 155		13 198
CURRENT ASSETS					
Debtors	8	279,925		215,184	
Cash at bank		<u>15,944</u>		<u>22,127</u>	
		295,869		237,311	
CREDITORS					
Amounts falling due within one year	9	<u>217,155</u>		<u>179,671</u>	
NET CURRENT ASSETS			<u>78,714</u>		<u>57,640</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>92 869</u>		<u>70 838</u>
CAPITAL AND RESERVES					
Called up share capital	11		840		840
Profit and loss account	12		<u>92 029</u>		<u>69 998</u>
SHAREHOLDERS' FUNDS	15		<u>92 869</u>		<u>70 838</u>

ON BEHALF OF THE BOARD



S A King - Director



N C Coote - Director

Approved by the Board and authorised for issue on 14 July 2008

RSA ENVIRONMENTAL HEALTH LIMITED

CASH FLOW STATEMENT for the year ended 31 March 2008

	Notes	31 3 08 £	31 3 07 £
Net cash inflow/(outflow) from operating activities	I	3 026	(54,958)
Returns on investments and servicing of finance	II	644	656
Taxation		(5,428)	(11,249)
Capital expenditure	II	(4,425)	(1 037)
		<u> </u>	<u> </u>
Decrease in cash in the year		<u>(6 183)</u>	<u>(66,588)</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	III		
Decrease in cash in the year		<u>(6,183)</u>	<u>(66,588)</u>
Change in net funds resulting from cash flows		<u>(6,183)</u>	<u>(66,588)</u>
Movement in net funds in the year		(6 183)	(66,588)
Net funds at 1 April		<u>22,127</u>	<u>88,715</u>
Net funds at 31 March		<u>15,944</u>	<u>22,127</u>

RSA ENVIRONMENTAL HEALTH LIMITED

NOTES TO THE CASH FLOW STATEMENT

for the year ended 31 March 2008

I RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31 3 08	31 3 07
	£	£
Operating profit	27 283	25,287
Depreciation charges and amortisation	3,468	2 733
Other income	150	250
Increase in debtors	(64,741)	(77,255)
Increase/(decrease) in creditors	<u>36,866</u>	<u>(5 973)</u>
Net cash inflow/(outflow) from operating activities	<u>3,026</u>	<u>(54 958)</u>

II ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31 3 08	31 3 07
	£	£
Returns on investments and servicing of finance		
Interest received	<u>644</u>	<u>656</u>
Net cash inflow for returns on investments and servicing of finance	<u>644</u>	<u>656</u>
 Capital expenditure		
Purchase of tangible fixed assets	<u>(4,425)</u>	<u>(1,037)</u>
Net cash outflow for capital expenditure	<u>(4 425)</u>	<u>(1 037)</u>

III ANALYSIS OF CHANGES IN NET FUNDS

	At 1 4 07	Cash flow	At 31 3 08
	£	£	£
Net cash			
Cash at bank	<u>22,127</u>	<u>6,183</u>	<u>15,944</u>
	<u>22,127</u>	<u>6,183</u>	<u>15,944</u>
 Total	<u>22,127</u>	<u>6 183</u>	<u>15,944</u>

RSA ENVIRONMENTAL HEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable UK accounting standards

Turnover and annual contracts

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers

Income derived from annual contracts is recognised at the point at which a fair value can be attributed to the various components of the contract. Where it is not possible to attribute a fair value, consideration is given to whether sums received are non-refundable.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business, is being amortised evenly over 10 years. This has given rise to an amortisation charge of £1,250 in the year ended 31 March 2008.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Office equipment - 25% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less or to receive a refund of tax.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into the replacement assets and charged only to tax where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax balances are not discounted.

Operating lease commitments

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profit on a straight line basis over the period of the lease.

Pensions

The Company operates a defined contribution pension scheme. The assets for the Scheme are held separately from those of the Company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the Company and all within the UK.

RSA ENVIRONMENTAL HEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2008

3 STAFF COSTS

	31 3 08	31 3 07
	£	£
Wages and salaries	270 636	368 280
Social security costs	27 330	38 116
Sub-contractors	509,894	388 887
Other pension costs	<u>7,302</u>	<u>7 160</u>
	<u>815 162</u>	<u>802,443</u>

The average monthly number of employees (excluding sub-contractors) during the year was as follows

	31 3 08	31 3 07
Directors	3	3
Consultants	5	5
Sales	-	1
Administrative	<u>3</u>	<u>3</u>
	<u>11</u>	<u>12</u>

4 OPERATING PROFIT

The operating profit is stated after charging

	31 3 08	31 3 07
	£	£
Depreciation - owned assets	2 218	1 483
Goodwill amortisation	1,250	1,250
Operating lease charges – land and buildings	5 814	5 814
– motor vehicles	<u>12,956</u>	<u>12 126</u>

Directors' emoluments	<u>53,174</u>	<u>51,452</u>
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During the year one director (2007 - 1) participated in a defined contribution pension scheme

Company contributions to defined contribution pension scheme	<u>7 302</u>	<u>7 160</u>
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Fees payable to the Company's auditors for the audit of the Financial Statements	<u>2 760</u>	<u>2 760</u>
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Fees payable to the Company's auditors for non audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis

RSA ENVIRONMENTAL HEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2008

5 TAXATION

Analysis of the tax charge

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

	31 3 08 £	31 3 07 £
Current tax		
UK corporation tax	6,046	5,424
Corporation tax under provision in respect of prior years	<u>(4)</u>	<u>(210)</u>
Tax on profit on ordinary activities	<u>6,042</u>	<u>5,214</u>

UK corporation tax has been charged at 20% (2007 – 19%)

Factors affecting the tax charge

The tax assessed for the year is lower (2007 – lower) than the standard rate of corporation tax in the UK

The difference is explained below

	31 3 08 £	31 3 07 £
Profit on ordinary activities before tax	<u>28 077</u>	<u>26,193</u>
Profit on ordinary activities multiplied by the lower rate of corporation tax in the UK of 20% (2007 - 19%)	5,615	4,977
Effects of		
Depreciation in excess of capital allowances claimed	(67)	40
Disallowed expenses and adjustments	498	407
Over-provision in prior year	<u>(4)</u>	<u>(210)</u>
Current tax charge	<u>6 042</u>	<u>5 214</u>

6 INTANGIBLE FIXED ASSETS

Goodwill
£

COST

At 1 April 2007
and 31 March 2008

12 500

AMORTISATION

At 1 April 2007

3 750

Charge for year

1,250

At 31 March 2008

5,000

NET BOOK VALUE

At 31 March 2008

7 500

At 31 March 2007

8 750

RSA ENVIRONMENTAL HEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2008

7	TANGIBLE FIXED ASSETS		Office Equipment £
	COST		
	At 1 April 2007		25,004
	Additions		<u>4,425</u>
	At 31 March 2008		<u>29,429</u>
	DEPRECIATION		
	At 1 April 2007		20,556
	Charge for year		<u>2,218</u>
	At 31 March 2008		<u>22,774</u>
	NET BOOK VALUE		
	At 31 March 2008		<u>6,655</u>
	At 31 March 2007		<u>4,448</u>
8	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		31 3 08	31 3 07
		£	£
	Trade debtors	103,446	122,728
	Amounts owed by group undertakings	169,642	85,937
	Prepayments and accrued income	<u>6,837</u>	<u>6,519</u>
		<u>279,925</u>	<u>215,184</u>
9	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		31 3 08	31 3 07
		£	£
	Trade creditors	26,946	50,623
	Amounts owed to group undertakings	136,733	68,300
	Tax	6,042	5,424
	Social security and other taxes	7,571	8,958
	VAT	32,061	40,671
	Accrued expenses	5,017	5,695
	Deferred income	<u>2,785</u>	<u>-</u>
		<u>217,155</u>	<u>179,671</u>

RSA ENVIRONMENTAL HEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

for the year ended 31 March 2008

10 OPERATING LEASE COMMITMENTS

The Company had aggregate annual commitments under non-cancellable operating leases as follows

	31 3 08 £	31 3 07 £
Expiring		
Within one year – land and buildings	-	-
– motor vehicles	<u>1,630</u>	<u>1 034</u>
Within two to five years – land and buildings	5 814	5 814
– motor vehicles	<u>4 395</u>	<u>7 766</u>

11 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	31 3 08 £	31 3 07 £
10 000	Ordinary	10p	<u>1,000</u>	<u>1 000</u>
Allotted issued and fully paid Number	Class	Nominal value	31 3 08 £	31 3 07 £
8,400	Ordinary	10p	<u>840</u>	<u>840</u>

12 RESERVES

	Profit and loss account £
At 1 April 2007	69 998
Profit for the financial year	<u>22,031</u>
At 31 March 2008	<u>92,029</u>

RSA ENVIRONMENTAL HEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2008

13 RELATED PARTY DISCLOSURES

The Company is exempt from the requirement to disclose related party transactions with other group companies under the provisions of Financial Reporting Standard No 8

14 ULTIMATE CONTROLLING PARTY

PHSC plc incorporated in the UK, is the ultimate parent company of the group Mr S A King, Group Chief Executive is the ultimate controlling party with 26.8% (2007 – 26.5%) 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

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.08	31.3.07
	£	£
Profit for the financial year	<u>22,031</u>	<u>20,979</u>
Net addition to shareholders' funds	22,031	20,979
Opening shareholders' funds	<u>70,838</u>	<u>49,859</u>
Closing shareholders' funds	<u>92,869</u>	<u>70,838</u>
Equity interests	<u>92,869</u>	<u>70,838</u>