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**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010  
FOR  
RSA ENVIRONMENTAL HEALTH LIMITED**

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**RSA ENVIRONMENTAL HEALTH LIMITED**  
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**for the year ended 31 March 2010**

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# **RSA ENVIRONMENTAL HEALTH LIMITED**

## **COMPANY INFORMATION** for the year ended 31 March 2010

**DIRECTORS:**

S A King  
N C Coote  
S P Letley

**SECRETARY:**

L E Young

**REGISTERED OFFICE:**

The Old Church  
31 Rochester Road  
Aylesford  
Kent  
ME20 7PR

**REGISTERED NUMBER:**

03293551 (England and Wales)

**AUDITORS**

Horwath Clark Whitehill LLP  
Chartered Accountants & Registered Auditors  
10 Palace Avenue  
Maidstone  
Kent  
ME15 6NF

# **RSA ENVIRONMENTAL HEALTH LIMITED**

## **REPORT OF THE DIRECTORS**

**for the year ended 31 March 2010**

The directors present their report with the financial statements of the Company for the year ended 31 March 2010

### **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 for the year was £650,449 compared to £802,043 in the previous year. Despite the fall in revenue, the loss of £5,786 represents a significant improvement in performance as RSA posted a loss of £71,431 in the year ended 31 March 2009.

The fall in turnover arose primarily as a consequence of reduced demand from Local Authorities for temporary environmental health staff cover where relatively low profit margins can be achieved.

Turnover has been maintained in respect of consultancy and training work delivered to the private sector where higher profit margins can be earned.

This new balance has resulted in RSA being more profitable despite a fall in total sales. In addition, RSA has streamlined its service delivery and expenditure has been kept under close control.

It is pleasing to note that sales of the Appointed Safety Advisor service, the cornerstone of the Group's business activity, have increased to record levels for RSA. Sales from this activity alone stood at £110,564 for the year, representing 17% (2009: 10%) of total turnover. These are contract sales and therefore offer continuity of business and for this reason RSA will be concentrating resources upon expanding this area of service in the future.

### **PURCHASE OF BUSINESS**

On 31 March 2010 RSA purchased the business and assets of In House The Hygiene Management Company Limited, a fellow subsidiary of PHSC plc.

### **DIVIDENDS**

No dividends were paid during the year ended 31 March 2010 (2009: nil).

### **DIRECTORS**

The directors during the year under review were

S A King  
N C Coote  
S P Letley

### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

No charitable donations (2009: nil) were made by the Company during the year.

### **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 a number of 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 on pages 8 and 9 of the Group's annual report that does not form part of these financial statements.

# **RSA ENVIRONMENTAL HEALTH LIMITED**

## **REPORT OF THE DIRECTORS**

**for the year ended 31 March 2010**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 or loss of the Company for that period. In preparing these 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 UK 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 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.

### **GOING CONCERN**

The directors confirm that they consider the going concern basis remains appropriate. The Company can access support from its holding company, PHSC plc, that has considerable financial resources together with long-term agreements with a number of customers based in different geographic areas. As a consequence, the directors have a reasonable expectation that the Company, will be able to continue in operational existence for the foreseeable future.

### **PROVISION OF INFORMATION TO AUDITORS**


Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

### **AUDITORS**

During the year Littlejohn LLP resigned as auditors and Horwath Clark Whitehill LLP were appointed as auditors. Horwath Clark Whitehill LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### **ON BEHALF OF THE BOARD:**



S King - Director  
29 July 2010

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

We have audited the financial statements of RSA Environmental Health Limited for the year ended 31 March 2010, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. 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**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

**Keith Newman (Senior statutory auditor)**  
for and on behalf of  
**HORWATH CLARK WHITEHILL LLP**  
Statutory Auditors

10 Palace Avenue  
Maidstone  
Kent ME15 6NF

# RSA ENVIRONMENTAL HEALTH LIMITED

## PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2010

	Note	31 3 10 £	31 3 09 £
<b>TURNOVER</b>	2	650,449	802,043
Cost of sales		<u>(477,394)</u>	<u>(633,974)</u>
<b>GROSS PROFIT</b>		173,055	168,069
Administrative expenses		<u>(178,849)</u>	<u>(239,919)</u>
<b>OPERATING LOSS</b>	4	(5,794)	(71,850)
Interest receivable and similar income	5	<u>75</u>	<u>419</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(5,719)	(71,431)
Tax on ordinary activities	6	<u>(67)</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>(5,786)</u>	<u>(71,431)</u>

### CONTINUING OPERATIONS

All turnover and operating loss is derived from continuing activities

### TOTAL RECOGNISED GAINS AND LOSSES

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

### NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material

Accounting policies and notes on pages 7 to 12 form part of these financial statements

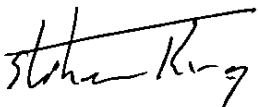
## RSA ENVIRONMENTAL HEALTH LIMITED

## BALANCE SHEET

31 March 2010

	Note	31 3 10 £	£	31 3 09 £	£
<b>FIXED ASSETS</b>					
Intangible assets	7		422,632		6,250
Tangible assets	8		6,816		5,180
			<u>429,448</u>		<u>11,430</u>
<b>CURRENT ASSETS</b>					
Stock	9	400		-	
Debtors	10	143,058		120,304	
Cash at bank		<u>23,656</u>		<u>-</u>	
		167,114		120,304	
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u>(580,910)</u>		<u>(110,296)</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(413,796)</u>		<u>10,008</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>15,652</u>		<u>21,438</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		840		840
Profit and loss account	14		<u>14,812</u>		<u>20,598</u>
<b>SHAREHOLDERS' FUNDS</b>	17		<u>15,652</u>		<u>21,438</u>

ON BEHALF OF THE BOARD:



S A King - Director



N C Coote - Director

Approved by the Board and authorised for issue on 29 July 2010

Accounting policies and notes on pages 7 to 12 form part of these financial statements



# **RSA ENVIRONMENTAL HEALTH LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2010

### **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

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. The directors have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk Guidance for Directors of UK Companies 2009' which requires the reasons for this decision to be explained. The directors regard the going concern basis as remaining appropriate as the Company has adequate resources to continue in operational existence for the foreseeable future based upon forecasts. Further details are provided in the directors' report.

#### **Turnover and annual contracts**

Turnover, which excludes value added tax, represents the amount receivable in respect of services provided to customers. Revenue from services is recognised as the services are provided. In respect of services invoiced in advance, amounts are deferred until provision of the service. 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 (2009 £1,250) in the year ended 31 March 2010.

#### **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

#### **Stock**

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

#### **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.

# RSA ENVIRONMENTAL HEALTH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2010

### 2 TURNOVER

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

### 3 STAFF COSTS

	31 3 10	31 3 09
	£	£
Wages and salaries	271,919	302,448
Social security costs	27,813	30,458
Other pension costs	<u>7,668</u>	<u>7,760</u>
	<u>307,400</u>	<u>340,666</u>

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

	31 3 10	31 3 09
	£	£
Directors	3	3
Consultants	6	5
Administration	<u>2</u>	<u>3</u>
	<u>11</u>	<u>11</u>

### 4 OPERATING LOSS

The operating loss is stated after charging	31 3 10	31 3 09
	£	£
Depreciation – owned assets	1,372	1,727
Goodwill amortisation	1,250	1,250
Operating lease charges – land and buildings	-	1,506
Operating lease charges – motor vehicles	<u>11,444</u>	<u>14,802</u>
Directors' emoluments and other benefits	<u>58,189</u>	<u>57,192</u>
During the year one director (2009 – 1) participated in a defined contribution pension scheme		
Company contributions to pension scheme on behalf of director	<u>1,708</u>	<u>1,800</u>
Company contributions to the defined contribution pension scheme	<u>7,668</u>	<u>7,760</u>
Fees payable to Company auditors for audit of financial statements	<u>3,000</u>	<u>3,000</u>

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

### 5 INTEREST RECEIVABLE AND SIMILAR INCOME

	31 3 10	31 3 09
	£	£
On-line filing bonus	75	100
Bank interest	-	317
Other interest	<u>-</u>	<u>2</u>
	<u>75</u>	<u>419</u>

# RSA ENVIRONMENTAL HEALTH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2010

### 6 TAXATION

#### Analysis of the tax charge

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

	31 3 10	31 3 09
	£	£
Current tax	-	-
UK corporation tax at 21% (2009 – 21%)	-	-
Corporation tax under provision in respect of prior years	<u>67</u>	<u>-</u>
Tax on profit on ordinary activities	<u>67</u>	<u>-</u>

#### Factors affecting the tax charge

The tax assessed for the year is lower (2009 – lower) than the standard rate of corporation tax in the UK

The difference is explained below

	31 3 10	31 3 09
	£	£
Loss on ordinary activities before tax	<u>(5,719)</u>	<u>(71,431)</u>
Loss on ordinary activities multiplied by the lower rate of corporation tax in the UK of 21% (2009 – 21%)	(1,201)	(15,000)
Effects of		
Depreciation in excess of capital allowances claimed	75	100
Disallowed expenses and adjustments	173	536
Over-provision in prior periods	67	-
Group relief surrendered before payment	<u>886</u>	<u>14,364</u>
Current tax charge	<u>-</u>	<u>-</u>

### 7 INTANGIBLE FIXED ASSETS

Goodwill  
£

#### COST

At 1 April 2009	12,500
Transfer of fellow subsidiary	<u>417,632</u>
At 31 March 2010	<u>430,132</u>

#### AMORTISATION

At 1 April 2009	6,250
Charge for year	<u>1,250</u>
At 31 March 2010	<u>7,500</u>

#### NET BOOK VALUE

31 March 2010	<u>422,632</u>
31 March 2009	<u>6,250</u>

# RSA ENVIRONMENTAL HEALTH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2010

### 8 TANGIBLE FIXED ASSETS

	Office Equipment £
<b>COST</b>	
At 1 April 2009	29,681
Additions	304
Transfer from fellow subsidiary	2,703
At 31 March 2010	<u>32,688</u>
<b>DEPRECIATION</b>	
At 1 April 2009	24,501
Charge for year	1,371
At 31 March 2010	<u>25,872</u>
<b>NET BOOK VALUE</b>	
31 March 2010	<u>6,816</u>
31 March 2009	<u>5,180</u>

### 9 STOCK

	31 3 10 £	31 3 09 £
Stock	<u>400</u>	<u>-</u>

### 10 DEBTORS

	31 3 10 £	31 3 09 £
Trade debtors	130,645	110,797
Amount owed by group undertakings	500	936
Prepayments and accrued income	<u>11,913</u>	<u>8,571</u>
	<u>143,058</u>	<u>120,304</u>

### 11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 10 £	31 3 09 £
Bank overdraft	-	34,958
Trade creditors	27,399	35,435
Amounts owed by group undertakings	481,347	3,403
Corporation tax	7,257	-
Social security and other taxes	7,812	8,130
VAT	28,589	22,424
Accrued expenses	7,255	5,946
Deferred income	<u>21,251</u>	<u>-</u>
	<u>580,910</u>	<u>110,296</u>

On 1 October 2008, the Company and PHSC plc Group entered into an unlimited multilateral guarantee with HSBC plc. This facility is reviewed annually. The Company's balance as at 31 March 2010 was £23,655 (2009 overdrawn £34,958) within the Group's cash at bank and in hand figure of £710,328 (2009 £843,079).

# RSA ENVIRONMENTAL HEALTH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued

for the year ended 31 March 2010

### 12 OPERATING LEASE COMMITMENTS

The Company had aggregate annual commitments under non-cancellable operating leases as follows	31 3 10 £	31 3 09 £
Expiring		
Within one year motor vehicles	<u>2,200</u>	<u>-</u>
Within two to five years motor vehicles	<u>10,829</u>	<u>11,411</u>

### 13 SHARE CAPITAL

Authorised Number	Class	Nominal value	31 3 10 £	31 3 09 £
10,000	Ordinary	£0 10	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid Number	Class	Nominal value	31 3 10 £	31 3 09 £
8,400	Ordinary	£0 10	<u>840</u>	<u>840</u>

### 14 RESERVES

	Profit and loss account £
At 1 April 2009	20,598
Loss for financial year	<u>(5,786)</u>
At 31 March 2010	<u>14,812</u>

### 15 RELATED PARTY DISCLOSURES

The Company is exempt from the requirement to disclose related party transactions with other group companies where there is a 100% relationship under the provisions of Financial Reporting Standard No 8

### 16 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 29.9% (2009 – 29.3%) 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

**RSA ENVIRONMENTAL HEALTH LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the year ended 31 March 2010

**17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 3 10	31 3 09
	£	£
Loss for the financial year	<u>(5,786)</u>	<u>(71,431)</u>
Net reduction of shareholders' funds	(5,786)	(71,431)
Opening shareholders' funds	<u>21,438</u>	<u>92,869</u>
Closing shareholders' funds	<u>15,652</u>	<u>21,438</u>
Equity interest	<u>15,652</u>	<u>21,438</u>