

Registered number: 03293551

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
FOR
RSA ENVIRONMENTAL HEALTH LIMITED**

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RSA ENVIRONMENTAL HEALTH LIMITED

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RSA ENVIRONMENTAL HEALTH LIMITED

COMPANY INFORMATION
for year ended 31 March 2023

DIRECTORS:	S A King N C Coote J Smith
SECRETARY:	SGH Company Secretaries Limited
REGISTERED OFFICE:	The Old Church 31 Rochester Road Aylesford Kent ME20 7PR
REGISTERED NUMBER:	03293551 (England and Wales)
CHARTERED ACCOUNTANTS:	Crowe U.K. LLP Chartered Accountants & Registered Auditors Riverside House 40-46 High Street Maidstone Kent ME14 1JH

RSA ENVIRONMENTAL HEALTH 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 activities of the Company in the year under review were that of provision of health and safety consultancy services and training, together with the sale of associated health and safety products.

REVIEW OF BUSINESS

Annual revenue showed a 20% increase compared to 2021-22 and the Company is now trading at similar levels to those experienced prior to the pandemic. The increase in sales led to profits not seen since 2018-19. The majority of income streams were above expectations, with the exception of general health and safety consultancy services but this was only because consultants' fee earning time was being utilised for the provision of other services. Food safety consultancy has seen some welcome growth over the last year.

Rather than employ additional members of staff, employees from elsewhere within the PHSC plc group and trusted associates were used to provide extra fee-earning capability. Such strategy helped to keep costs under control and enabled the Company to deal efficiently with the peaks and troughs in its workload.

In previous years, the Company's focus has been to diversify its service offering and strengthen its presence in the markets in which it operates. These efforts have continued and resulted in a more even spread of revenues across the services provided. This will continue to be a focus to make the Company more resilient.

SafetyMARK services saw revenues continue to recover. Demand for these services remains strong especially within the independent school's market. There is a high retention rate with schools demonstrating that they see value in the services RSA offers.

Training services remain strong, with a focus on school-based Institution of Occupational Safety and Health (IOSH) accredited training courses. These have proved very popular with schools and demand continues to be strong with good profits achieved.

RSA ENVIRONMENTAL HEALTH LIMITED
for the year ended 31 March 2023

REPORT OF THE DIRECTORS

KEY PERFORMANCE INDICATORS	Notes	31.3.23 £	31.3.22 £
Earnings before interest, tax, depreciation and amortization (EBITDA)		55,162	35,561
Add back: management charge from PHSC plc		24,000	24,000
	a	<u>79,162</u>	<u>59,561</u>
Turnover		365,864	304,037
Gross profit		194,785	160,281
Gross profit margin (gross profit / turnover)	b	53%	53%
Trade debtors		49,423	57,246
Trade debtors excluding VAT		41,186	47,705
Debtor days (trade debtors excluding VAT / turnover x 365)	c	41	57
Current assets		125,760	153,155
Less: amounts owed by group companies		<u>(31,144)</u>	<u>(5,659)</u>
		<u>94,616</u>	<u>147,496</u>
Current liabilities		556,839	597,320
Amounts owed to group companies		<u>(498,602)</u>	<u>(536,250)</u>
		<u>58,237</u>	<u>61,070</u>
Current ratio (current assets / current liabilities) (both excluding group balances)	d	1.6	2.4
Staff statistics (excluding directors)	e		
Joiners during the year		-	-
Leavers during the year		-	-
Average length of service per staff member		10 years	9 years

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 RSA. The GPM of 53% achieved this year, matches the GPM for the year ended 31 March 2022.
- (c) The debtor days shows how quickly sales are being converted into cash. On average, RSA waits between one and two months to be paid.
- (d) The current ratio is used to monitor the liquidity of RSA. The figure dropped to 1.6 for the year ended 31 March 2023 due to a £30k bank transfer to another subsidiary. This reduced RSA's current assets as defined by the current ratio by £30k due to the exclusion of amounts owed by group companies in this calculation. The figure of 1.6 still suggests that RSA can comfortably meet its short-term obligations.
- (e) There were no changes in staff during the year.

RSA ENVIRONMENTAL HEALTH LIMITED
for year ended 31 March 2023

REPORT OF THE DIRECTORS

DIVIDENDS

During the year a dividend of £25,000 (2022 - £50,000) was paid to the holding company, PHSC plc.

DIRECTORS

The directors during the year under review were:

S A King
N C Coote
J Smith

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 in note 1 to the financial statements in 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 that 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.

RSA ENVIRONMENTAL HEALTH LIMITED
for 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 RSA 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

RSA ENVIRONMENTAL HEALTH LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2023

	Note	31.3.23 £	31.3.22 £
Revenue	3	365,864	304,037
Cost of sales		<u>(171,079)</u>	<u>(143,756)</u>
GROSS PROFIT		194,785	160,281
Administrative expenses		<u>(148,982)</u>	<u>(134,485)</u>
OPERATING PROFIT		45,803	25,796
Other income	4	<u>-</u>	<u>3,850</u>
PROFIT BEFORE TAXATION	5	45,803	29,646
Income tax expense	8	<u>(8,652)</u>	<u>(5,770)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		37,151	23,876
Other comprehensive income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>37,151</u>	<u>23,876</u>
Attributable to equity holders		37,151	23,876

All amounts relate to continuing activities.

RSA ENVIRONMENTAL HEALTH LIMITED

STATEMENT OF FINANCIAL POSITION
as at 31 March 2023


	Note	31.3.23 £	31.3.22 £
NON-CURRENT ASSETS			
Property, plant and equipment	10	11,343	16,110
Goodwill	9	458,713	458,713
		<u>470,056</u>	<u>474,823</u>
CURRENT ASSETS			
Inventory	11	400	400
Trade and other receivables	12	89,329	64,707
Cash at cash equivalents		36,031	88,048
		<u>125,760</u>	<u>153,155</u>
TOTAL ASSETS		595,816	627,978
CURRENT LIABILITIES			
Trade and other payables	13	552,733	585,681
Right of use liabilities	14	4,106	5,860
Current corporation tax payable		-	5,779
		<u>556,839</u>	<u>597,320</u>
NON-CURRENT LIABILITIES			
Right of use liabilities	14	4,106	8,211
Deferred taxation	15	783	510
		<u>4,889</u>	<u>8,721</u>
TOTAL LIABILITIES		561,728	606,041
NET ASSETS		34,088	21,937
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS			
Called up share capital	16	840	840
Retained earnings		33,248	21,097
		<u>34,088</u>	<u>21,937</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 RSA, 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 19 form part of these financial statements

RSA ENVIRONMENTAL HEALTH LIMITED

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

	Share Capital £	Retained Earnings £	Total £
Balance at 1 April 2022	840	21,097	21,937
Total comprehensive income	-	37,151	37,151
Dividends paid	-	(25,000)	(25,000)
Balance at 31 March 2023	<u>840</u>	<u>33,248</u>	<u>34,088</u>

Balance at 1 April 2021	840	47,221	48,061
Total comprehensive income	-	23,876	23,876
Dividends paid	-	(50,000)	(50,000)
Balance at 31 March 2022	<u>840</u>	<u>21,097</u>	<u>21,937</u>

Accounting policies and notes on pages 10 to 19 form part of these financial statements

RSA ENVIRONMENTAL HEALTH LIMITED

STATEMENT OF CASH FLOWS
for the year ended 31 March 2023

	Note	31.3.23 £	31.3.22 £
Cash flows (used by)/from operating activities:			
Cash generated from operations	I	(2,408)	53,596
Group tax relief payment		(8,379)	-
Tax paid		(5,778)	(6,471)
Net cash generated (used by)/from operating activities		(16,565)	47,125
Cash flows used in investing activities			
Purchase of property, plant and equipment		(2,136)	-
Disposal of property, plant and equipment		-	-
Net cash used in investing activities		(2,136)	-
Cash flows used by financing activities			
Dividends paid to Group shareholders		(25,000)	(50,000)
Payments on right of use assets		(8,316)	(5,236)
Net cash used by financing activities		(33,316)	(55,236)
Net decrease in cash and cash equivalents		(52,017)	(8,111)
Cash and cash equivalents at beginning of year		88,048	96,159
Cash and cash equivalents at end of year		36,031	88,048

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

	31.3.23 £	31.3.22 £
I. CASH (USED BY)/GENERATED FROM OPERATIONS		
Operating profit – continuing operations	45,803	29,646
Depreciation charge	9,359	5,916
Loss on disposal fixed assets	-	101
Increase in trade and other receivables	(24,622)	(30,744)
(Decrease)/increase in trade and other payables	(32,948)	48,677
Cash (used by)/generated from operations	(2,408)	53,596

RSA ENVIRONMENTAL HEALTH 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 19.

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, safety inspections and house fitness reports. 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 food safety consultancy. 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

This income relates to amounts received from the government via the Corona Virus Job Retention Scheme and other pandemic related business grants. These grants are accounted for on an accruals basis and are 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.

RSA ENVIRONMENTAL HEALTH 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.

RSA ENVIRONMENTAL HEALTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2023

ACCOUNTING POLICIES continued

Intangible assets

Goodwill arose on the hive up of the business and assets of In House Hygiene Management Company Limited to RSA on 31 March 2010 and represents the excess of the cost of acquisition over the net asset values of the interests acquired. Such goodwill is capitalised as an intangible asset and is stated at cost less accumulated amortisation and impairment losses

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.

Impairment of Intangible Assets and Property, Plant and Equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from the business combination on which the goodwill arose and represent the lowest level at which management monitors the related cash flows.

Goodwill, other individual assets, or cash-generating units that include goodwill, other intangible assets with an indefinite useful life, and those intangible assets not yet available for use, are tested for impairment at least annually. All intangible assets and property, plant and equipment with a finite life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use, based on an internal discounted cash flow evaluation. Except for goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. Impairment losses are charged to administrative expenses.

3. REVENUE

The revenue of the Company during the year was generated in the UK and the revenue of the Company for the year 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	-	3,850
	-	3,850

5. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging:	31.3.23	31.3.22
	£	£
Depreciation – owned assets	1,043	680
Depreciation – right of use assets	8,316	5,236

RSA ENVIRONMENTAL HEALTH LIMITED

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

6. DIRECTORS' REMUNERATION

	31.3.23	31.3.22
	£	£
Directors' emoluments and other benefits	55,047	51,285
Pension contributions	4,111	2,980
	<u>59,158</u>	<u>54,265</u>

7. STAFF COSTS

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

Directors	3	3
Consultants	4	4
Administration	-	-
	<u>7</u>	<u>7</u>

The aggregate payroll costs of these persons were as follows:

	31.3.23	31.3.22
	£	£
Wages and salaries	186,361	163,259
Social security costs	20,824	18,659
Other pension costs	9,017	6,551
	<u>216,202</u>	<u>188,469</u>

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

RSA ENVIRONMENTAL HEALTH 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%)	8,379	5,781
Corporation tax under provision in respect of prior years	-	(130)
Total current tax	<u>8,379</u>	<u>5,651</u>
Deferred tax:		
Origination and reversal of timing differences	273	119
Total tax charge	<u>8,652</u>	<u>5,770</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>45,803</u>	<u>29,646</u>
Tax on profit on ordinary activities at standard rate of corporation tax of 19% (2022: 19%)	8,703	5,633
Effects of:		
Adjustment to tax charge in respect of previous periods	-	(130)
Fixed asset differences	-	267
Super deduction	(122)	-
Difference due to deferred tax rate being lower than standard corporation tax rate	71	-
Total tax charge	<u>8,652</u>	<u>5,770</u>

9. GOODWILL

	Goodwill
	£
COST	
At 1 April 2022 and 31 March 2023	<u>471,13</u>
AMORTISATION	
At 1 April 2022 and 31 March 2023	<u>12,500</u>
NET BOOK VALUE	
At 31 March 2022 and 31 March 2023	<u>458,713</u>

RSA ENVIRONMENTAL HEALTH LIMITED

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

GOODWILL continued

When considering impairment, the directors have taken the cash flow forecast prepared for the year ended 31 March 2023 and used the expected cash flows for that year in perpetuity as the cash flows generated are expected to continue for the foreseeable future. Adoption of a zero-growth rate has been incorporated based on current forecasts formulated after a review of revenue expectations from key accounts, though every avenue is being explored to develop each area of the Company's business to achieve growth.

	Margin in carrying value £	Annual cash flow at which impairment is required £	WACC at which impairment is required %
Goodwill in respect of In House and Envex	9,613	47,652	13

10. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment £	Right of Use Assets £	Total £
COST OR VALUATION			
At 1 April 2022	5,374	27,027	32,401
Additions	2,136	2,456	4,592
Disposals	-	-	-
As at 31 March 2023	7,510	29,483	36,993
DEPRECIATION			
At 1 April 2022	3,336	12,955	16,291
Charge for the year	1,043	8,316	9,359
Disposals	-	-	-
At 31 March 2023	4,379	21,271	25,650
NET BOOK VALUE			
At 31 March 2023	3,131	8,212	11,343
At 31 March 2022	2,038	14,072	16,110

11. INVENTORY

	31.3.23 £	31.3.22 £
Finished goods	400	400

There has been no change in the level of finished goods during the year and thus no amount has been expensed in the year.

RSA ENVIRONMENTAL HEALTH LIMITED

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

12. TRADE AND OTHER RECEIVABLES

	31.3.23	31.3.22
	£	£
Trade receivables	49,423	57,246
Amounts owed by group undertakings	31,144	5,659
Other receivables, prepayments and accrued income	8,762	1,802
	<u>89,329</u>	<u>64,707</u>

The recoverability of receivables is not considered to be a significant issue to the Company. Many customers have a long-standing relationship with RSA. 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	32,807	38,791
One month old	12,527	16,868
Two to six months old	4,089	1,587
Over six months old	-	-
	<u>49,423</u>	<u>57,246</u>

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

13. TRADE AND OTHER PAYABLES

	31.3.23	31.3.22
	£	£
Trade payables	2,146	263
Social security and other taxes	18,492	20,579
Amount owed to group undertakings	498,602	536,250
Other payables	653	1,374
Accruals	5,107	4,942
Contract liabilities	27,733	22,273
	<u>552,733</u>	<u>585,681</u>

On 1 October 2008, the Company and the 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 2023 was £36,031 (2022: £88,048) within the Group's cash at bank and in hand figure of £749,627 (2022: £649,363).

RSA ENVIRONMENTAL HEALTH LIMITED

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

14. LEASES

	31.3.23	31.3.22
	£	£
Amounts due in under one year – right of use liabilities	4,106	5,860
Amounts due in over one year – right of use liabilities	4,106	8,211
	<u>8,212</u>	<u>14,071</u>

15. DEFERRED TAXATION LIABILITY

	31.3.23	31.3.22
	£	£
Deferred taxation liability	<u>783</u>	<u>510</u>
	Deferred tax	Deferred tax
	£	£
At 1 April 2022	510	391
Deferred tax debit in year (see note 8)	273	119
At 31 March 2023	<u>783</u>	<u>510</u>

16. SHARE CAPITAL

	31.3.23	31.3.22
	£	£
Authorised		
10,000 ordinary shares – nominal value £0.10	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid		
8,400 ordinary shares – nominal value £0.10	<u>840</u>	<u>840</u>

17. 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 RSA	<u>24,000</u>	<u>24,000</u>

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

RSA ENVIRONMENTAL SERVICES LIMITED

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

RELATED PARTY DISCLOSURES (continued)

	31.3.23	31.3.22
	£	£
Amounts owed by group undertakings		
B2BSG Solutions Limited	30,000	-
Personnel Health & Safety Consultants Limited	-	4,572
Quality Leisure Management Limited	1,144	1,087
	<u>31,144</u>	<u>5,659</u>
Amounts owed to group undertakings		
Envex Company Limited	15,000	15,000
In House The Hygiene Management Company Limited	469,305	469,305
Personnel Health & Safety Consultants Limited	2,063	-
PHSC plc	12,234	51,945
	<u>498,602</u>	<u>536,250</u>

18. FINANCIAL INSTRUMENTS

Set out below are the Company's financial instruments:	31.3.23	31.3.22
	£	£
Financial assets at amortised cost		
Trade and other receivables	89,329	64,707
Cash and cash equivalents	36,031	88,048
	<u>125,360</u>	<u>152,755</u>
Financial liabilities at amortised cost		
Trade and other payables	552,733	585,681
	<u>552,733</u>	<u>585,681</u>
Due within 1 year	552,733	585,681
Due in over 1 year	-	-
	<u>552,733</u>	<u>585,681</u>

The Company's principal financial instruments comprise cash, short terms 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.

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. The Company operates within the group facility provided to PHSC plc by HSBC plc.

RSA ENVIRONMENTAL SERVICES LIMITED

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

FINANCIAL INSTRUMENTS (continued)

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.

19. 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.

20. 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.