

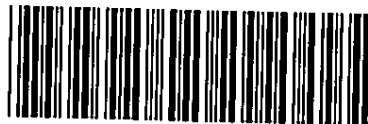
Company Registration No. 2633546 (England and Wales)

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

ABBREVIATED ACCOUNTS

FOR THE PERIOD ENDED 1 APRIL 2007

FRIDAY



AAF4UYE9

A23

28/03/2008

368

COMPANIES HOUSE

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Auditors' report	4
Abbreviated profit and loss account	5
Abbreviated balance sheet	6
Notes to the abbreviated accounts	7 - 17

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 1 APRIL 2007

The directors present their report and financial statements for the period ended 1 April 2007

Principal activities and review of the business

The company provides total waste management services for customers throughout Norfolk and other parts of East Anglia. The company's facilities are among the most modern in Europe and it has a highly professional and experienced workforce well placed to meet the needs of all waste producers.

In the year under review, the principal activity of the company continued to be that of recycling, management of household waste recycling centres, operating and maintaining landfill sites, commercial collections and skip hire, and composting. Regrettably, the company's contract with Norfolk County Council for the management of several of its household waste recycling centres was not renewed on 1 April 2007.

The company also continues to invest in renewable energy. At the company's landfill sites, renewable energy is produced through specially constructed power generation plants. These plants convert naturally produced landfill gas containing methane into electricity, which is fed into the National Grid. Landfill gas is created by the decomposition of organic material contained within landfill sites.

The company's multi-million pound waste recycling and transfer centre at Costessey, Norwich, currently handles 66,000 tonnes of dry recyclable waste per annum, making it one of the largest recycling facilities in the UK - and one of the most technically advanced in Europe. This facility is playing a key role in assisting Norfolk to become one of the leading counties in domestic and commercial waste recycling. Recycling generated 28.4% (25% in 2006) of the company's total turnover whereas income from waste disposal to landfill sites represented 33.7% (39.2% in 2006) of total turnover. This supports the company's aim to reduce waste input to landfill through re-use, recycling, composting and energy extraction from waste products. In its third year of operation, the material recycling facility saw an increase of 15% in tonnage throughput compared to the previous year. The waste recycling and transfer centre provides sufficient recycling capacity for dry recyclables to play a very significant part in enabling local authorities in Norfolk to achieve Government and EU targets for the reduction in waste going to landfill. Additionally approximately 65% of the waste received at the household waste recycling sites was removed from the waste stream for recycling.

Gross profit percentage has remained reasonably constant at 19.0% (2006: 18.7% prior to exceptional pre-contract costs). Turnover has increased by 1.9% from 2006. A total of £905,000 has been spent in the year on fixed assets of which £170,000 related to plant and equipment.

The company had a profit before taxation of £183,147.

A considerable amount of management time in the year has been devoted to tendering for a major new waste treatment contract. During the period tendering costs incurred for this contract amounted to £133,000. The tender is for a council contract on a PFI/PPP basis. The Company's position as Preferred Bidder was confirmed in December 2007 and it is expected that financial close will be achieved during 2008. Once awarded, this new contract will result in further substantial investment in infrastructure and people and will result in significant growth in the company's activities.

The company recently successfully tendered for the renewal of its waste disposal contracts with Norfolk County Council, the new contracts commencing on 1 April 2008.

The Company is mindful of, and will seek to exploit, the significant opportunities arising as a result of local authorities looking to comply with targets requiring them to reduce waste taken to landfill sites between 2010 and 2020.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2007

Health and Safety is one of the company's top priorities. The company's safety record compares favourably with the industry average and the company continues to review and monitor its Health and Safety policies and procedures.

There are currently two tenders for contracts for which the company is waiting to hear the outcome. The two tenders being for operating household waste recycling centres and the waste treatment contract. If either or both contracts are awarded to the company, substantial investment in additional infrastructure and people will be required and will result in a growth in the company's activities. Significant opportunities will arise as a result of local authorities looking to comply with targets requiring them to reduce waste taken to landfill sites between 2010 and 2020. The company is also seeking to work with local authorities outside Norfolk with a view to expanding the business directly or in partnership with other companies.

Compliance with environmental legislation and Health & Safety regulations is pertinent to the company's activities and additional investment in capital and operating expenditure might be required in the future. The company is continuously re-evaluating its activities to ensure it remains competitive as a result of any legislative changes. As a demonstration of this, the company is in the process of introducing an Integrated Management System.

The company is also committed to promoting equality of opportunity with a diverse workforce. The company continues to support its employees through training in order to develop their potential by increasing knowledge, awareness and skills.

Health and Safety is one of the company's top priorities. The company's safety record compares favourably with the industry average and the company continues to review and monitor its Health and Safety policies and procedures.

On 1 February 2008, the whole of the Company's issued share capital was transferred from Norfolk County Council to Norse Group Limited, itself a wholly-owned subsidiary of Norfolk County Council. Norse Group Limited is a substantial organisation and the enlarged Group will seek to exploit opportunities for joint working and development of the Group.

During January 2008, Norfolk County Council took the decision that it would be in the best interests of the Council and the Company for all of the Company's closed landfill sites to be transferred to the Council and has asked the Board of Directors to arrange the transfer as soon as possible.

Results and dividends

The results for the period are set out on page 5.

The profit for the period, after taxation, amounted to £134,936 (2006: £172,259 loss).

Directors

The following directors have held office since 3 April 2006:

D T Beadle

G Leigh

R Johnson

(Resigned 31 July 2007)

A T Williams

C S Brown

M J Rickard

M Hawes

(Appointed 18 February 2008)

Directors' interests

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2007

According to the register maintained as required under the Companies Act 1985 no director held any interest in or option to acquire, shares in the company

A T Williams is a Norfolk County Councillor nominated by Norfolk County Council to serve as a director and R Johnson had been a Councillor until May 2005. All significant transactions with Norfolk County Council are identified separately in the notes to the financial statements

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Larking Gowen be reappointed as auditors of the company will be put to the Annual General Meeting

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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,
- 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 that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

On behalf of the board



G Leigh

Director

12/3/08

**INDEPENDENT AUDITORS' REPORT TO NORFOLK ENVIRONMENTAL WASTE
SERVICES LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 5 to 17, together with the financial statements of Norfolk Environmental Waste Services Limited for the period ended 1 April 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



Larking Gowen

Chartered Accountants
Registered Auditors
Norwich

18th March 2008

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 1 APRIL 2007

		52 Weeks ended 1 April 2007 £	52 Weeks ended 2 April 2006 £
	Notes		
Gross profit		2,523,736	2,005,495
Administrative expenses		(2,012,228)	(1,574,000)
Operating profit	2	511,508	431,495
Other interest receivable and similar income		25,311	32
Unwinding of discount on provisions		(34,989)	(116,558)
Interest payable and similar charges	3	(318,683)	(342,765)
Profit/(loss) on ordinary activities before taxation		183,147	(27,796)
Tax on profit/(loss) on ordinary activities	4	(48,211)	(144,463)
Profit/(loss) on ordinary activities after taxation	14	134,936	(172,259)

Gross profit is stated after charging exceptional pre-contract costs of £Nil (2006 £434,708)

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

ABBREVIATED BALANCE SHEET AS AT 1 APRIL 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	5	11,492,525		12,730,189	
Investments	6	667,466		667,466	
		<u>12,159,991</u>		<u>13,397,655</u>	
Current assets					
Stocks	7	425,001		152,979	
Debtors	8	3,160,793		2,609,247	
Deferred tax asset	8	170,384		213,252	
Cash at bank and in hand		415,027		597,496	
		<u>4,171,205</u>		<u>3,572,974</u>	
Creditors. amounts falling due within one year	9	<u>(4,516,105)</u>		<u>(4,069,423)</u>	
Net current liabilities			<u>(344,900)</u>		<u>(496,449)</u>
Total assets less current liabilities		11,815,091		12,901,206	
Creditors amounts falling due after more than one year	10	(4,183,098)		(5,202,201)	
Provisions for liabilities and charges	11	<u>(2,108,257)</u>		<u>(2,310,205)</u>	
		<u>5,523,736</u>		<u>5,388,800</u>	
Capital and reserves					
Called up share capital	13	3,171,144		3,171,144	
Profit and loss account	14	2,352,592		2,217,656	
Shareholders' funds - equity interests	15	<u>5,523,736</u>		<u>5,388,800</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

The financial statements were approved by the Board on 12th March 2008


C S Brown
Director


D T Beadle
Director

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 1 APRIL 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Turnover

Turnover, which is stated net of value added tax, includes landfill tax and represents amounts invoiced to third parties and is attributable to its continuing activities of recycling, management of household waste recycling centres, operating and maintaining landfill sites, commercial collections and skip hire, and composting

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than some freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of each asset over its expected useful life, as follows

Landfill sites	Acquisition, development and the discounted cost of final site restoration are capitalised. These costs are written off over the operational life of each site at the rate at which airspace is consumed
Freehold land	Other than freehold landfill sites, freehold land is not depreciated
Transfer Stations	25 years
Office Equipment	3 to 5 years
Plant and machinery	3 to 14 years
Computer equipment	3 years
Motor Vehicles	4 to 5 years

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Fixed asset investments are stated at cost. Current asset investments are stated at the lower of cost and net realisable value.

1.6 Stock

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

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS 17.

1.8 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

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.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2007

1 Accounting policies

(continued)

1 9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

1 10 Restoration

Full provision is made for the company's minimum unavoidable costs in relation to restoration liabilities at its landfill sites and this value is capitalised as a fixed asset. The value is stated at the Net Present Value (NPV) calculated at the time the liability was first recognised. NPV has been calculated using an inflation rate of 3% per annum and a discount rate of 5% per annum. The effects of inflation and the discount element on existing provisions are described within the financial statements as Unwinding of discount on provisions.

1 11 Environmental Management of landfill sites

The anticipated costs of monitoring for gas levels and ground water quality and site licensing following closure of the sites together with the management of leachate both pre and post-closure of the sites are accrued at their Net Present Value (NPV) and charged to the profit and loss account based on the amount of available airspace consumed. NPV has been calculated using an inflation rate of 3% per annum and a discount rate of 5% per annum. The effects of inflation and the discount element on existing provisions are described within the financial statements as Unwinding of discount on provisions.

2 Operating profit

	2007	2006
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	2,125,700	2,265,766
Operating lease rentals	179,700	301,642
Auditors' remuneration	9,000	8,950
Exceptional pre-contract costs	-	434,708
and after crediting		
Profit on disposal of tangible assets	(57,447)	(385,062)

3 Interest payable

	2007	2006
	£	£
On loans and other liabilities	318,683	342,765

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2007

4 Taxation	2007	2006
	£	£
Domestic current year tax		
U K corporation tax	5,343	-
Current tax charge	5,343	-
Deferred tax		
Deferred tax charge/(credit) current year	42,868	144,463
	48,211	144,463
Factors affecting the tax charge for the period		
Profit/(loss) on ordinary activities before taxation	183,147	(27,796)
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30 00% (2006 - 30 00%)	54,944	(8,339)
Effects of		
Non deductible expenses	3	5,668
Depreciation add back	620,476	564,211
Capital allowances	(200,995)	(200,720)
Tax losses utilised	(142,837)	-
Other tax adjustments	(326,248)	(360,820)
	(49,601)	8,339
Current tax charge	5,343	-

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2007

5 Tangible fixed assets

	Freehold property	Short leasehold	Capital development expenditure	Plant, machinery and motor vehicles	Land tipping licence	Total
	£	£	£	£	£	£
Cost						
At 3 April 2006	12,745,676	7,131,843	-	7,858,797	3,919,578	31,655,894
Additions	549,346	31,043	138,473	169,602	16,719	905,183
Reclassification	(88,995)	-	88,995	-	-	-
Disposals	-	-	-	(519,185)	-	(519,185)
At 1 April 2007	13,206,027	7,162,886	227,468	7,509,214	3,936,297	32,041,892
Depreciation						
At 3 April 2006	3,730,693	6,903,761	-	4,547,633	3,743,618	18,925,705
On disposals	-	-	-	(502,038)	-	(502,038)
Charge for the period	1,385,176	54,754	-	647,871	37,899	2,125,700
At 1 April 2007	5,115,869	6,958,515	-	4,693,466	3,781,517	20,549,367
Net book value						
At 1 April 2007	8,090,158	204,371	227,468	2,815,748	154,780	11,492,525
At 2 April 2006	9,014,983	228,082	-	3,311,164	175,960	12,730,189

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant, machinery and motor vehicles £
Net book values	
At 1 April 2007	1,893,933
At 2 April 2006	2,258,833
Depreciation charge for the period	
At 1 April 2007	384,825
At 2 April 2006	328,866

Included in Freehold Property, Short Leasehold and Land Tipping Licence are capitalised costs relating to future restoration expenditure of £2,878,241 (2006 £2,838,688) and accumulated depreciation of £2,484,433 (2006 £2,232,592)

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2007

6 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 3 April 2006 & at 1 April 2007	667,466
Net book value	
At 1 April 2007	667,466
At 2 April 2006	667,466

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Addfill Limited	England	Ord&Pref	100 00
Sustainable Resource Management Limited	England	Ordinary	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2007 £	Profit/(loss) for the year 2007 £
	Principal activity		
Addfill Limited	Landfill and letting of land	145,677	(16,518)
Sustainable Resource Management Limited	Dormant	1	-

The company's preference shareholding in Addfill Limited has been classified by the issuer as a financial liability in their financial statements in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

7 Stocks	2007 £	2006 £
Raw materials and consumables	93,700	6,220
Finished goods and goods for resale	331,301	146,759
	425,001	152,979

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2007

8 Debtors	2007	2006
	£	£
Trade debtors	1,140,915	1,126,523
Amounts owed by ultimate parent undertaking	1,206,755	897,795
Amounts owed by subsidiary undertaking	364,119	347,077
Prepayments and accrued income	449,004	237,852
Deferred tax asset (see note 11)	170,384	213,252
	<u>3,331,177</u>	<u>2,822,499</u>
9 Creditors: amounts falling due within one year	2007	2006
	£	£
Current instalment due on loan from ultimate parent undertaking	106,080	106,080
Current instalment due on bank loan	324,286	324,286
Net obligations under finance leases and hire purchase contracts	549,334	520,239
Trade creditors	1,306,553	1,172,211
Amounts owed to associated undertakings	155,164	390,298
Corporation tax	5,343	-
Other taxes and social security costs	555,018	470,693
Other creditors	45,348	43,891
Accruals and deferred income	1,468,979	1,041,725
	<u>4,516,105</u>	<u>4,069,423</u>

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2007

10 Creditors amounts falling due after more than one year	2007 £	2006 £
Bank loan	1,656,547	1,980,833
Loan from ultimate parent undertaking	1,697,280	1,856,400
Net obligations under finance leases and hire purchase contracts	829,271	1,364,968
	<u>4,183,098</u>	<u>5,202,201</u>
Analysis of loans		
Total amount outstanding	3,784,193	4,267,599
Included in current liabilities	(430,366)	(430,366)
	<u>3,353,827</u>	<u>3,837,233</u>
Loan maturity analysis		
In more than one year but not more than two years	430,366	430,366
In more than two years but not more than five years	1,166,628	1,291,098
In more than five years	1,756,833	2,115,769
	<u></u>	<u></u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	549,334	520,239
Repayable between one and five years	559,429	1,306,598
Repayable after five years	269,842	58,370
	<u>1,378,605</u>	<u>1,885,207</u>
Included in liabilities falling due within one year	(549,334)	(520,239)
	<u>829,271</u>	<u>1,364,968</u>

By virtue of an agreement dated 28 March 2001, the company received a loan from its ultimate parent undertaking. The loan is repayable in 46 equal half yearly instalments bearing interest at the Public Works Loan Board lower quota rate as set out in the Public Works Loan Board Interest Rate Notice current at 30 March 2001. Final payment will be on 31 March 2024.

The liabilities under finance leases and hire purchase contracts are secured upon the respective assets.

The Bank Loans are secured by way of two first legal charges over commercial freehold property at Costessey, Norwich.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2007

11 Provisions for liabilities and charges

	Restoration £	Environmental Management £	Total £
Balance at 3 April 2006	1,512,383	797,822	2,310,205
Additional liability recognised in year	39,552	-	39,552
Profit and loss account			
- Cost of sales	-	201,310	201,310
- Unwinding of discount	6,489	28,500	34,989
Utilised	(71,080)	(406,719)	(477,799)
Balance at 1 April 2007	<u>1,487,344</u>	<u>620,913</u>	<u>2,108,257</u>

Site Restoration

Site restoration provision primarily relates to the costs of final capping and covering the landfill sites and it is estimated that these costs will be incurred within the next 2 years. The timing of the expenditure is dependent on the rate at which the relevant phases of the sites are filled and, to that extent, is uncertain.

Environmental Management

These costs include such items as monitoring, gas and leachate management, and licensing.

Whilst the directors consider the provisions for site restoration and environmental management to be reasonable on the basis of the information currently available to them, including current regulations and legislation, actual expenditure will vary as a result of subsequent information, legislation and events which may result in adjustments to the amounts provided.

The deferred tax asset (included in the debtors, note 8) is made up as follows:

	2007 £
Balance at 3 April 2006	213,252
Profit and loss account	(42,868)
Balance at 1 April 2007	<u>170,384</u>

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2007

	2007 £	2006 £
Accelerated capital allowances	(894,578)	(937,551)
Site restoration and pension provisions	313,857	259,468
Tax losses available	751,105	891,335
	<u>170,384</u>	<u>213,252</u>

12 Pension costs

Defined contribution

The company operates a stakeholder pension scheme. The pension cost charge represents contributions payable by the company to the individual members' funds. Contributions totalling £14,498 (2006 - £13,459) were owing to the funds at the year end and are included in creditors.

	2007 £	2006 £
Contributions payable by the company for the period	<u>85,652</u>	<u>80,263</u>

13 Share capital

	2007 £	2006 £
Authorised		
10,000,000 Ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, called up and fully paid		
3,171,144 Ordinary shares of £1 each	<u>3,171,144</u>	<u>3,171,144</u>

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 3 April 2006	2,217,656
Retained profit for the period	<u>134,936</u>
Balance at 1 April 2007	<u>2,352,592</u>

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2007

15 Reconciliation of movements in shareholders' funds	2007 £	2006 £
Profit/(Loss) for the financial period	134,936	(172,259)
Opening shareholders' funds	5,388,800	5,561,059
Closing shareholders' funds	5,523,736	5,388,800

16 Contingent liabilities

Since its formation the company has operated six landfill sites, some areas of which were previously tipped by Norfolk County Council. The company is potentially liable for any damage that may be caused to the environment by its disposal of waste. Such damage can be caused by either gas emissions and migration or deterioration in the quality of ground water. The company provides for the cost of all work considered necessary to prevent damage to the environment and is aware of no material claims at present. It is not practicable to quantify the effect or timing of any such claim but the likelihood of a material claim being incurred is considered remote at present. Norfolk County Council is responsible for any damage that may be caused as a result of waste disposed of prior to the transfer of the sites to the company.

17 Financial commitments

At 1 April 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2007 £	2006 £	2007 £	2006 £
Expiry date				
Within one year	-	-	1,288	7,081
Between two and five years	32,278	40,604	120,070	113,616
In over five years	3,000	3,000	-	-
	35,278	43,604	121,358	120,697

18 Directors' emoluments	2007 £	2006 £
Emoluments for qualifying services	186,256	178,111
Company pension contributions to money purchase schemes	14,394	13,557
	200,650	191,668

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2006- 2)

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2007

19 Employees

Number of employees

The average monthly number of employees (including directors) during the period was

	2007 Number	2006 Number
Administration	14	14
Operations	64	62
	<u>78</u>	<u>76</u>

Employment costs

	£	£
Wages and salaries	2,103,883	1,886,927
Social security costs	221,684	202,053
Other pension costs	85,652	80,263
	<u>2,411,219</u>	<u>2,169,243</u>

20 Post balance sheet events

On 1 February 2008, the whole of the Company's issued share capital was transferred from Norfolk County Council to Norse Group Limited, itself a wholly-owned subsidiary of Norfolk County Council. Norse Group Limited is a substantial organisation and the enlarged Group will seek to exploit opportunities for joint working and development of the Group.

During January 2008, Norfolk County Council took the decision that it would be in the best interests of the Council and the Company for all of the Company's closed landfill sites to be transferred to the Council and has asked the Board of Directors to arrange the transfer as soon as possible.