

Registered number: 02633546

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED
UNAUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

MONDAY



ACIMX9S8

A17

18/12/2023

#258

COMPANIES HOUSE

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS	A C Wood J F L C Galliford
REGISTERED NUMBER	02633546
REGISTERED OFFICE	280 Fifers Lane Norwich Norfolk NR6 6FQ
BANKERS	Barclays Bank plc 5/7 Red Lion Street Norwich Norfolk NR1 3QH

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

CONTENTS

	Page(s)
Directors' report	1
Statement of comprehensive income	2
Statement of financial position	3 - 4
Statement of changes in equity	5
Notes to the financial statements	6 - 26

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and the financial statements for the financial year ended 31 March 2023.

RESULTS AND DIVIDENDS

The profit for the financial year, after tax, amounted to £367,215 (2022 - £681,697). The net assets of the company at the end of the year were £2,267,727 (2022 - £1,900,512).

Directors have not proposed or paid any dividends during financial year (2022 - £Nil).

DIRECTOR

The directors who were in office during the year and up to the date of signing the financial statements were:

A J Proctor (resigned 22 May 2023)

A C Wood

J F L C Galliford (appointed 26 May 2022)

QUALIFYING THIRD PARTY INDEMNITY INSURANCE

The company maintains liability insurance for its directors and officers. The directors and officers have also been granted a qualifying third party provision under section 234 of the Companies Act 2006 which is in force throughout the year and to the date of approval of the financial statements. Neither the company's indemnity nor insurance provides cover in the event that a director or officer is proved to have acted fraudulently or dishonestly.

GOING CONCERN

The directors believe that the company has adequate resources and will have available to it sufficient future funding to enable it to continue in operational existence for the foreseeable future. Accordingly, it remains appropriate to prepare the financial statements on a going concern basis.

SMALL COMPANIES EXEMPTION

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



J F L C Galliford
Director

Date: 14 December 2023

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Revenue	4	1,910,761	2,354,844
Cost of sales		(1,352,897)	(1,425,040)
GROSS PROFIT		557,864	929,804
Administrative expenses		(30,868)	(13,592)
OPERATING PROFIT	5	526,996	916,212
Interest payable and similar expenses	8	(69,825)	(74,627)
PROFIT BEFORE TAX		457,171	841,585
Tax on profit	9	(89,956)	(159,888)
PROFIT FOR THE FINANCIAL YEAR		367,215	681,697
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		367,215	681,697

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

The notes on pages 6 to 26 form part of these financial statements.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED
REGISTERED NUMBER:02633546

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Property, plant and equipment	10	4,477,511	4,598,771
Investments	11	1	1
		<u>4,477,512</u>	<u>4,598,772</u>
CURRENT ASSETS			
Trade and other receivables: amounts falling due after more than one year	12	39,646	46,730
Trade and other receivables: amounts falling due within one year	12	4,394,743	3,502,824
Cash and cash equivalents		7,641	7,641
		<u>4,442,030</u>	<u>3,557,195</u>
Trade and other payables: amounts falling due within one year	13	(6,166,786)	(2,315,569)
NET CURRENT (LIABILITIES)/ASSETS		<u>(1,724,756)</u>	<u>1,241,626</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,752,756</u>	<u>5,840,398</u>
Trade and other payables: amounts falling due after more than one year	14	(485,029)	(3,939,886)
NET ASSETS		<u><u>2,267,727</u></u>	<u><u>1,900,512</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	3,171,144	3,171,144
Profit and loss account	18	(903,417)	(1,270,632)
TOTAL EQUITY		<u><u>2,267,727</u></u>	<u><u>1,900,512</u></u>

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED
REGISTERED NUMBER:02633546

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2023

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of the 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 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.

The company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J F L C Galliford

Director

Date: 14 December 2023

The notes on pages 6 to 26 form part of these financial statements.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2022	3,171,144	(1,270,632)	1,900,512
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the financial year	-	367,215	367,215
At 31 March 2023	<u>3,171,144</u>	<u>(903,417)</u>	<u>2,267,727</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2021	3,171,144	(1,952,329)	1,218,815
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the financial year	-	681,697	681,697
At 31 March 2022	<u>3,171,144</u>	<u>(1,270,632)</u>	<u>1,900,512</u>

The notes on pages 6 to 26 form part of these financial statements.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION

The company is a private limited company, limited by shares, incorporated and domiciled in England and registered at 280 Fifers Lane, Norwich, Norfolk, NR6 6EQ. The reporting period is from 1 April 2022 to 31 March 2023.

The company's principal activity is the rental of assets to a fellow group subsidiary and processing of recyclable materials.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006, as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 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 3.

The presentational currency is Pounds Sterling (£). All amounts in the financial statements and notes have been rounded to the nearest Pound Sterling, unless otherwise stated.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of Norfolk County Council as at 31 March 2023 and these financial statements may be obtained from www.norfolk.gov.uk.

2.3 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

There are no new accounting standards, or amendments to accounting standards, or interpretations that are effective for the year ended 31 March 2023 have had a material impact on the company.

2.4 GOING CONCERN

The directors believe that the company has adequate resources and will have available to it sufficient future funding to enable it to continue in operational existence for the foreseeable future. Accordingly, it remains appropriate to prepare the financial statements on a going concern basis.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.5 REVENUE

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

Revenue is recognised when the performance obligation in the contract/agreement has been performed ('point in time' recognition). Where contracts/agreements include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. For service contracts/agreements including a goods element, revenue for the separate good is recognised at a point in time when the good is delivered, the legal title has passed and the customer has accepted the good.

2.6 LEASES

The company leases a variety of property, vehicles and equipment. Rental contracts are typically made for fixed periods of 18 months to 25 years but may have extension options.

The company as a lessee

The company assesses whether a contract is or contains a lease, at inception of a contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (total lease payments of less than £5,000). For these leases, the company recognises the lease payments as an operating expense, in the profit and loss, on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for leases in this company, the company uses its incremental borrowing rate.

This being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.6 LEASES (continued)

To determine the incremental borrowing rate, the company:

- where possible, uses relevant third party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- makes adjustments specific to the lease, for example term, country, currency and security.

Lease payments included in the measurement of the lease liability comprise:

- *fixed lease payments (including in-substance fixed payments), less any lease incentives;*
- *variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;*
- *the amount expected to be payable by the lessee under residual value guarantees;*
- *the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and*
- *payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.*

The lease liability is included in Payables on the Statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the Statement of comprehensive income on a sum of the digits method.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.6 LEASES (continued)

The right-of-use assets are included in Property, plant and equipment in the Statement of financial position.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The company has used this practical expedient.

Given the existence of a substantive right to substitute the assets throughout the period of the arrangement, the company considers that there are no identifiable assets within its inter-company rental arrangements and as such the arrangements falls outside the scope of IFRS 16 'Leases'. The assets are included within the fixed asset balance of Norse Commercial Services Limited.

Restrictions or covenants imposed by leases

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. These lease agreements do not impose any covenant other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

2.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.7 PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- Other than freehold landfill sites (50 years), land is not depreciated
Leasehold property	- 50 years
Plant and machinery	- 3 - 15 years
Right of use assets	- Straight line over the length of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 OPERATING LEASES: THE COMPANY AS LESSOR

Rental income from operating leases is credited to profit or loss on a straight line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.9 INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.10 TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The company applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

2.11 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 FINANCIAL INSTRUMENTS

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The company always recognises lifetime ECL for trade receivables and amounts due on contracts

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.12 FINANCIAL INSTRUMENTS (continued)

with customers. The expected credit losses on these financial assets are estimated based on the company's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

2.13 TRADE AND OTHER PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade payables are presented as amounts falling due within one year unless payment is not due within 12 months after the reporting date.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.14 INTEREST PAYABLE AND SIMILAR EXPENSES

Interest payable is charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.16 CURRENT AND DEFERRED TAX

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

To be able to prepare financial statements according to FRS 101, management must make estimates and assumptions that affect the asset and liability items and revenue and expense amounts recorded in the financial statements. These estimates are based on historical experience and various other assumptions that management and the Board of directors believe are reasonable under the circumstances. The results of this form the basis for making judgements about the carrying value of assets and liabilities that are not readily available from other sources.

The actual results are likely to differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about the significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Critical judgements

Lease accounting

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Critical estimates

Depreciation

The depreciation charge is derived from an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the assets are determined by management at the time the asset is acquired using historical experience of similar assets. These are reviewed annually.

Lease accounting

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received and makes adjustments specific to the lease, for example term, country, currency and security.

4. REVENUE

The company's principal activity is the rental of assets to a fellow group subsidiary and processing of recyclable materials.

All turnover arose within the United Kingdom.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation of property, plant and equipment	121,260	126,044
Profit on disposal of property, plant and equipment	-	(28,201)
	<u>121,260</u>	<u>(28,201)</u>

6. EMPLOYEES

The company has no employees (2022 - NIL) other than the directors, who did not receive any remuneration (2022 - ENIL).

7. DIRECTORS' REMUNERATION

During the year, the directors did not receive any emoluments from the company (2022 - £nil). This includes two directors (2022 - three) who received no remuneration for services provided to the company and one director (2022 - one) who was paid by Norse Commercial Services Limited with no recharge.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Interest payable	44,457	47,123
Interest on lease liabilities	25,368	27,504
	<u>69,825</u>	<u>74,627</u>

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. TAX ON PROFIT

	2023 £	2022 £
CORPORATION TAX		
UK corporation tax on profit for the year	81,478	145,730
Adjustments in respect of prior periods	1,394	(451)
TOTAL CURRENT TAX	<u>82,872</u>	<u>145,279</u>
DEFERRED TAX		
Origination and reversal of timing differences	(4,131)	33,529
Adjustments in respect of prior periods	-	450
Effect of tax rate change on opening balance	-	(19,370)
Effect of changes in the tax rate	11,215	-
TOTAL DEFERRED TAX	<u>7,084</u>	<u>14,609</u>
TAXATION ON PROFIT	<u>89,956</u>	<u>159,888</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2022 - *lower than*) the standard rate of corporation tax in the UK for the year ended 31 March 2023 of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit before tax	<u>457,171</u>	<u>841,585</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	86,868	159,901
EFFECTS OF:		
Expenses not deductible for tax purposes	(6)	11,203
Adjustments in respect of prior periods	1,394	(1)
Effect of tax rate change on opening balance	-	(11,215)
Effect of changes in the tax rate	1,700	-
TOTAL TAX CHARGE FOR THE YEAR	<u>89,956</u>	<u>159,888</u>

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. TAX ON PROFIT (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	Leasehold Property £	Plant and machinery £	Right of use assets £	Total £
Cost					
At 1 April 2022	6,333,025	6,648,119	3,380,239	458,934	16,820,317
At 31 March 2023	6,333,025	6,648,119	3,380,239	458,934	16,820,317
Accumulated depreciation					
At 1 April 2022	2,122,188	6,648,119	3,362,520	88,719	12,221,546
Charge for the year on owned assets	81,154	-	10,479	-	91,633
Charge for the year on right- of-use assets	-	-	-	29,627	29,627
At 31 March 2023	2,203,342	6,648,119	3,372,999	118,346	12,342,806
Net book value					
At 31 March 2023	4,129,683	-	7,240	340,588	4,477,511
At 31 March 2022	4,210,837	-	17,719	370,215	4,598,771

The net book value of owned and leased assets included as Property, plant and equipment in the Statement of financial position is as follows:

	2023 £	2022 £
Tangible fixed assets owned	4,136,923	4,228,556
Right-of-use tangible fixed assets	340,588	370,215
	4,477,511	4,598,771

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Information about right-of-use assets is summarised below:

Net book amount

	2023	2022
	£	£
Property	340,588	370,215

Depreciation charge for the year ended

	2023	2022
	£	£
Property	29,627	29,627

11. INVESTMENTS

	Investments in subsidiary companies £
Cost	
At 1 April 2022	1
At 31 March 2023	1
Net book value	
At 31 March 2023	1
At 31 March 2022	1

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKING

The following was a subsidiary undertaking of the company:

Name	Class of shares	Holding
Addfill Limited	Ordinary & Preference	100%

Addfill Limited is incorporated and domiciled in the United Kingdom and the registered office is 280 Fifers Lane, Norwich, Norfolk, NR6 6EQ. Addfill Limited remains dormant throughout the year.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. TRADE AND OTHER RECEIVABLES

	2023 £	2022 £
DUE AFTER MORE THAN ONE YEAR		
Deferred tax asset	<u>39,646</u>	<u>46,730</u>
	2023 £	2022 £
DUE WITHIN ONE YEAR		
Trade receivables	-	26,746
Amounts owed by group undertakings	4,388,732	3,476,078
Prepayments and accrued income	6,011	-
	<u>4,394,743</u>	<u>3,502,824</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Trade receivables are stated after provisions for impairment of £Nil (2022 - £Nil).

13. TRADE AND OTHER PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Bank overdrafts	22	22
Amounts owed to group undertakings	5,877,069	2,123,929
Corporation tax	228,601	145,729
Lease liabilities	34,368	32,232
Accruals and deferred income	26,726	13,657
	<u>6,166,786</u>	<u>2,315,569</u>

Amounts owed to group undertakings, other than the secured loan, are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. TRADE AND OTHER PAYABLES: AMOUNTS DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Lease liabilities	485,029	519,398
Amounts owed to group undertakings	-	3,420,488
	<u>485,029</u>	<u>3,939,886</u>

15. LEASES

The total cash outflow for leases during the period ended 31 March 2023 was £57,600 (2022: £57,600).

Lease liabilities are due as follows:

	2023 £	2022 £
Not later than one year	34,368	32,232
Between one year and five years	158,836	519,398
Later than five years	326,193	-
	<u>519,397</u>	<u>551,630</u>

The following amounts in respect of leases, where the company is a lessee, have been recognised in profit or loss:

	2023 £	2022 £
Interest expense on lease liabilities	<u>25,368</u>	<u>27,504</u>

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. DEFERRED TAX

The movement in the deferred tax asset during the year was:

	2023 £	2022 £
At beginning of year	46,730	61,339
Charged to profit or loss	(7,084)	(14,609)
At end of year	39,646	46,730

Deferred tax is provided for at 25% (2022 - 25%) in the financial statements and consists of the following:

	2023 £	2022 £
Differences between capital allowances and depreciation	5,130	9,209
Other timing differences	34,516	37,521
	39,646	46,730

17. CALLED UP SHARE CAPITAL

	2023 £	2022 £
Allotted, called up and fully paid		
3,171,144 (2022 - 3,171,144) Ordinary shares of £1.00 each	3,171,144	3,171,144

18. PROFIT AND LOSS ACCOUNT

Includes all current and prior year retained profits and losses.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

19. CONTINGENT LIABILITIES

The company is part of the Norse Commercial Services group VAT registration and as such is jointly and severally liable for the VAT liability of the entire group. The group liability at the year end was £8,801,534 (2022 - £7,994,713).

A cross guarantee in favour of Barclays Bank plc was put in place in the prior year between Norfolk Environmental Waste Services Limited and the following group companies: Norse South West Limited (formerly Devon Norse Limited), Great Yarmouth Norse Limited, GYB Services Limited, Medway Norse Limited, Medway Norse Transport, Newport Norse Limited, Norse Commercial Services Limited, Norse Eastern Limited, Norse Transport, Suffolk Coastal Norse Limited, Suffolk Norse Limited, Suffolk Norse Transport, Wellingborough Norse Limited, Waveney Norse Limited, West Northamptonshire Norse Limited, Amber Valley Norse Limited, Uttlesford Norse Services Limited, and Norse South East Limited. The indebtedness subject to this guarantee at the year end was £nil (2022 - £nil).

The nature of the company's activities, particularly in relation to its operations, is such that from time to time it faces challenges in respect of contractual disputes, laws and regulations and tax arising in the normal course of business. Provisions are made in respect of these actions where this is appropriate.

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

20. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions available under FRS 101 for paragraph 17 of IAS 24, whereby wholly owned group undertakings do not have to disclose intra-group transactions with other wholly owned members of the same group. The company had the following transactions and balances in the normal course of trade with related parties within the Norse Group and the ultimate controlling party Norfolk County Council.

	<i>Year ended</i>	<i>Year ended</i>		
	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2023</i>	<i>2023</i>	<i>2023</i>	<i>2023</i>
	<i>Sales</i>	<i>Purchases</i>	<i>Receivables</i>	<i>Payables</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Norfolk County Council	-	(115,130)	-	-
Norse Environmental Waste Services Limited	827,913	(777,821)	4,364,426	-
West Northamptonshire Norse Limited	303,893	-	24,306	-
Medway Norse Limited	70,833	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	<i>Year ended</i>	<i>Year ended</i>		
	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2022</i>	<i>2022</i>	<i>2022</i>	<i>2022</i>
	<i>Sales</i>	<i>Purchases</i>	<i>Receivables</i>	<i>Payables</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Norfolk County Council	-	(120,300)	439,845	(135,744)
Norse Environmental Waste Services Limited	1,254,883	(685,055)	3,476,078	-
West Northamptonshire Norse Limited	293,551	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

NORFOLK ENVIRONMENTAL WASTE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. CONTROLLING PARTY

The immediate parent undertaking is Norse Group Holdings Limited.

The company's ultimate parent and the smallest group to consolidate these financial statements is Norse Group Limited. The registered office address of Norse Group Limited is 280 Fifers Lane, Norwich, Norfolk, NR6 6EQ. Consolidated financial statements for this group are available from Companies House, Cardiff, CF14 3UZ.

The company's ultimate controlling party and largest group to consolidate these financial statements, is Norfolk County Council, by virtue of its ownership of 100% of the ordinary share capital of Norse Group Limited. The registered office address of Norfolk County Council is County Hall, Martineau Lane, Norwich, Norfolk, NR1 2DH. Copies of the Norfolk County Council consolidated financial statements can be obtained from www.norfolk.gov.uk.