

WAVENEY NORSE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 2 APRIL 2017



WAVENEY NORSE LIMITED

COMPANY INFORMATION

DIRECTORS

P M Hawes (resigned 3 November 2016)
A J Merricks
M T Emms
A J Charvonia (resigned 12 October 2016)
A Jarvis
M C Hopkins (appointed 3 November 2016, resigned 25 January 2017)
K Blair (appointed 12 October 2016)
D T Wetteland (appointed 10 April 2017)

COMPANY SECRETARY

H L Jones

REGISTERED NUMBER

06600996

REGISTERED OFFICE

Lancaster House
16 Central Avenue
St Andrews Business Park
Norwich
Norfolk
NR7 0HR

INDEPENDENT AUDITOR

PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditor
3 St James Court
Whitefriars
Norwich
Norfolk
NR3 1RJ

BANKERS

Barclays Bank plc
PO Box 885
Mortlock House
Histon
Cambridge
CB24 9DE

WAVENEY NORSE LIMITED

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WAVENEY NORSE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 2 APRIL 2017

The directors present their report and the audited financial statements for the year ended 2 April 2017.

The financial statements are prepared to the closest Sunday to 31 March 2017. This represents 52 weeks of trading to 2 April 2017.

In the prior period, the company (in line with all companies in the Norse Group) extended its financial year to bring the year end into line with that of the ultimate controlling party, Norfolk County Council. The prior period therefore represents 61 weeks of trading to 3 April 2016.

RESULTS

The profit for the financial year amounted to £283,969 (2016 - £327,877).

DIVIDENDS

Directors have not proposed or paid any dividends during financial year.

DIRECTORS

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

P M Hawes (resigned 3 November 2016)

A J Merricks

M T Emms

A J Charvonja (resigned 12 October 2016)

A Jarvis

M C Hopkins (appointed 3 November 2016, resigned 25 January 2017)

K Blair (appointed 12 October 2016)

D T Wetteland (appointed 10 April 2017)

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 indemnity provision under section 234 of the Companies Act 2006 which is in force 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.

EMPLOYEE INVOLVEMENT

The company has continued the practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the company. This is achieved through consultations with employee representatives and a company newsletter.

WAVENEY NORSE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 2 APRIL 2017

DISABLED EMPLOYEES

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retain them in order that their employment with the company may continue.

It is the policy of the company that training, career development and promotion opportunities should be available to all employees.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

WAVENEY NORSE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 2 APRIL 2017**

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each director in office at the date the Directors' Report is approved:

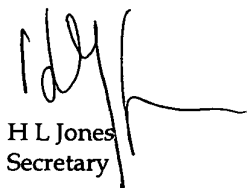
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

PricewaterhouseCoopers LLP Independent auditors were appointed auditors during the period. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

SMALL COMPANIES NOTE

In preparing the annual report and financial statements, the directors have taken advantage of the small companies exemptions provided by section 15 of the Companies Act 2006.

This report was approved by the board and subsequently signed by its order.



H L Jones
Secretary

Date: 26 October 2017

Independent auditors' report to the members of Waveney Norse Limited

Report on the financial statements

Our opinion

In our opinion, Waveney Norse Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 2 April 2017 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 2 April 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

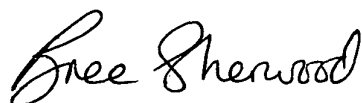
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.



Bree Sherwood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Norwich

27 October 2017

WAVENEY NORSE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 2 APRIL 2017**

		12 months to 2 April 2017 £	<i>Restated 14 months to 3 April 2016 £</i>
	Note		
Revenue	4	8,776,627	10,760,614
Cost of sales		(6,770,320)	(8,278,847)
GROSS PROFIT		<u>2,006,307</u>	<u>2,481,767</u>
Administrative expenses		(1,629,205)	(2,066,733)
OPERATING PROFIT AND PROFIT BEFORE TAXATION		<u>377,102</u>	<u>415,034</u>
Taxation	8	(93,133)	(87,157)
PROFIT FOR THE FINANCIAL YEAR / PERIOD		<u><u>283,969</u></u>	<u><u>327,877</u></u>
 TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		 <u><u>283,969</u></u>	 <u><u>327,877</u></u>

The notes on pages 9 to 23 form part of these financial statements.

WAVENEY NORSE LIMITED
REGISTERED NUMBER: 06600996

STATEMENT OF FINANCIAL POSITION
AS AT 2 APRIL 2017

	Note	2 April 2017 £	3 April 2016 £
CURRENT ASSETS			
Inventories	9	66,467	50,798
Trade and other receivables	10	3,727,000	2,971,665
Cash and cash equivalents	11	4,443	6,710
		<u>3,797,910</u>	<u>3,029,173</u>
Trade and other payables	12	(2,181,895)	(1,697,127)
NET CURRENT ASSETS		<u>1,616,015</u>	<u>1,332,046</u>
NET ASSETS		<u><u>1,616,015</u></u>	<u><u>1,332,046</u></u>
EQUITY			
Called up share capital	14	10	10
Retained earnings	15	1,616,005	1,332,036
TOTAL EQUITY		<u><u>1,616,015</u></u>	<u><u>1,332,046</u></u>

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 on pages 6 to 23 were approved and subsequently authorised for issue by the board and were signed on its behalf by:



D T Wetteland
Director

Date: 26 October 2017

WAVENEY NORSE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 2 APRIL 2017**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 4 April 2016	10	1,332,036	1,332,046
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the financial year	-	283,969	283,969
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	283,969	283,969
AT 2 APRIL 2017	10	1,616,005	1,616,015

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 3 APRIL 2016**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 2 February 2015	10	1,004,159	1,004,169
COMPREHENSIVE INCOME FOR THE PERIOD			
Profit for the financial period	-	327,877	327,877
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	327,877	327,877
AT 3 APRIL 2016	10	1,332,036	1,332,046

The notes on pages 9 to 23 form part of these financial statements.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2 APRIL 2017

1. GENERAL INFORMATION

The company is a private company, limited by shares, incorporated and domiciled in England and registered at Lancaster House, 16 Central Avenue, St Andrews Business Park, Norwich, Norfolk, NR7 0HR.

The company's principal activities are the provision of cleaning, waste management, grounds, security and facilities maintenance services.

1.1 RESTATEMENT

The Directors have reviewed the accounting for the contractual relationships with their strategic partners and have identified that certain expenditure would be more appropriately classified against revenue. In addition, the Directors have taken the opportunity to realign the accounting treatment of certain expenditure across the group. This has resulted in an impact to revenue and administrative expenses within the consolidated financial statements for the period ended 3 April 2016. The impact is a reduction of revenue by £415,000 and a decrease in administrative expenses by £415,000. There is nil impact on profit and reserves.

The Directors have reviewed the calculations of employee numbers and concluded that an adjustment is required in the prior year. This has resulted in an impact to employee numbers for the period ended 3 April 2016 (see note 6). The impact is a reduction of 56. There is nil impact on profit and reserves.

The directors have reviewed the presentation of the employees (note 6) and concluded that an adjustment is required in the prior period. This has resulted in the impact of £894 to the employee note. There is nil impact on profit and reserves.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' under the historic cost convention, applicable accounting standards and in accordance with the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The financial statements are presented in Sterling (£).

The principle 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.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2 APRIL 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Financial reporting standard 101 - Reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS101:

- The requirements of IFRS 7 Financial Instruments: Disclosures
- Paragraphs 91-99 of IFRS 13, 'Fair value measurement' (disclosures of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements 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 (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- The requirement of IAS 7 Statement of Cash Flows
- The requirements of paragraph 17 and 18A of IAS24 Related Party Disclosures and Key Management Compensation.
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

2.3 Going concern

Whilst the entity remains profit making and has positive net current assets and net assets the entity operates as part of a wider Group and as such the Directors have received confirmation from Norse Commercial Services Limited that it will provide, for a period of at least 12 months from the date of the signing of these financial statements, such financial support as is necessary to allow the company to meet its liabilities as they fall due. Accordingly, the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2 APRIL 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Trade and other receivables

Short term receivables are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2 APRIL 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.8 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.

2.9 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

The company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2 APRIL 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.10 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.

Short term payables are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value net of transaction costs and are measured subsequently at amortised cost using the effective interest method.

2.11 Pensions

Defined benefit pension plan

The contributions to this pension scheme have been treated as a money purchase pension scheme, despite employees being members of the Suffolk Pension Fund, a local government pension scheme. Under the terms of the transfer agreement, the actuarial risks associated with the scheme remain with Waveney District Council. The contributions paid by the company are set in relation to the current service year only and as such the company has accounted for the contributions to the scheme as if it were a defined contribution scheme.

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2 APRIL 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 Statement of Financial Position 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.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

To be able to prepare financial statements according to FRS 101, management must make estimates and assumptions that effect the assets and liability items and revenues 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 judgments 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 judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expense are discussed below:

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. See note 10 for the net carrying amount of receivables and associated impairment provision.

WAVENEY NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2017**

4. REVENUE

All revenue arose within the United Kingdom.

	12 months to 2 April 2017 £	Restated 14 months to 3 April 2016 £
Revenue by service		
Cleaning	302,279	320,914
Grounds	1,560,609	1,830,448
Facilities management	1,901,584	2,166,581
Security	539,407	671,437
Waste and environmental	4,472,748	5,771,234
Total revenue	<u>8,776,627</u>	<u>10,760,614</u>

5. AUDITORS' REMUNERATION

The company paid the following amounts to its auditors in respect of the audit of the financial statements:

	12 months to 2 April 2017 £	14 months to 3 April 2016 £
Fees for the audit of the company	<u>6,710</u>	<u>6,581</u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group financial statements of the parent company.

WAVENEY NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2017**

6. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	12 months to 2 April 2017 £	<i>Restated 14 months to 3 April 2016 £</i>
Wages and salaries	3,639,007	4,292,842
Social security costs	288,056	292,508
Other pension costs	423,766	492,251
	<u>4,350,829</u>	<u>5,077,601</u>

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

	12 months to 2 April 2017 No.	<i>Restated 14 months to 3 April 2016 No.</i>
Operations staff	193	194
Administrative staff	15	15
	<u>208</u>	<u>209</u>

7. DIRECTORS' REMUNERATION

	12 months to 2 April 2017 £	<i>14 months to 3 April 2016 £</i>
Directors' emoluments	<u>29,957</u>	<u>53,747</u>

During the year retirement benefits were accruing to 1 director (2016 - 3) in respect of group defined benefit pension schemes.

The above disclosure excludes three directors who received no remuneration for services provided to the company and three directors who were paid by Norse Commercial Services Limited with no recharge.

WAVENEY NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2017**

8. TAX ON PROFIT

	12 months to 2 April 2017 £	14 months to 3 April 2016 £
CURRENT TAX		
UK corporation tax on profits for the year	88,908	87,157
Adjustments in respect of previous periods	10,600	-
TOTAL CURRENT TAX	<u>99,508</u>	<u>87,157</u>
DEFERRED TAX		
Origination and reversal of timing differences	(7,120)	-
Changes to tax rates	745	-
TOTAL DEFERRED TAX	<u>(6,375)</u>	<u>-</u>
TAX ON PROFIT	<u>93,133</u>	<u>87,157</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR/PERIOD

The tax assessed for the year/period is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	12 months to 2 April 2017 £	14 months to 3 April 2016 £
Profit before taxation	<u>377,102</u>	<u>415,034</u>
Profit multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	75,420	83,007
EFFECTS OF:		
Expenses not deductible for tax purposes	7,113	4,150
Adjustments in respect of previous periods	10,600	-
TOTAL TAX CHARGE FOR THE YEAR/PERIOD	<u>93,133</u>	<u>87,157</u>

WAVENEY NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2017**

8. TAX ON PROFIT (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

9. INVENTORIES

	2 April 2017 £	3 April 2016 £
Raw materials and consumables	37,397	50,798
Work in progress	29,070	-
	<u>66,467</u>	<u>50,798</u>

Inventory recognised in cost of sales during the period as an expense was £458,981 (2016: £1,093,298).

10. TRADE AND OTHER RECEIVABLES

	2 April 2017 £	3 April 2016 £
Due within one year		
Trade receivables	1,057,013	436,388
Amounts owed by group undertakings	2,510,180	2,485,497
Other receivables	100,243	2,025
Prepayments and accrued income	39,786	34,352
Deferred taxation	19,778	13,403
	<u>3,727,000</u>	<u>2,971,665</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. There is no provision against this debt.

Trade receivables are stated after provisions for impairment of £7,528 (2016 - £4,320).

WAVENEY NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2017**

11. CASH AND CASH EQUIVALENTS

	2 April 2017	3 April 2016
	£	£
Cash at bank and in hand	4,443	6,710
	<u>4,443</u>	<u>6,710</u>

12. Trade and other payables

	2 April 2017	3 April 2016
	£	£
Trade payables	196,151	336,100
Amounts owed to group undertakings	20,500	-
Corporation tax	88,908	87,252
Other payables	459	1,316
Accruals and deferred income	1,875,877	1,272,459
	<u>2,181,895</u>	<u>1,697,127</u>

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

13. DEFERRED TAXATION

	2017 £
At beginning of year	13,403
Utilised in year	6,375
AT END OF YEAR	<u><u>19,778</u></u>

WAVENEY NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2017**

13. DEFERRED TAXATION (CONTINUED)

The deferred tax asset is made up as follows:

	2 April 2017 £	3 April 2016 £
Difference between capital allowances and depreciation	1,570	1,662
Other timing differences	18,208	11,741
	<u>19,778</u>	<u>13,403</u>

Deferred tax is provided for at 17% (2016: 18%) in these financial statements.

14. CALLED UP SHARE CAPITAL

	2 April 2017 £	3 April 2016 £
Shares classified as equity		
Allotted, called up and fully paid		
199 (2016: 199) Ordinary A shares of £0.01 each	2	2
801 (2016: 801) Ordinary B shares of £0.01 each	8	8
	<u>10</u>	<u>10</u>

Norse Commercial Services Limited, the immediate parent undertaking, hold the Ordinary 'B' shares and Waveney District Council hold the Ordinary 'A' shares. Both share classifications have equal voting rights. On winding up the Ordinary 'A' shares are entitled only to the nominal value of the shares.

15. RESERVES

Retained earnings

Includes all current and prior period retained profits and losses.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2 APRIL 2017

16. CONTINGENT LIABILITIES

The company is part of a 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 / period end was £2,311,320 (2016: £1,865,455).

A cross guarantee in favour of Barclays Bank plc is in place between Waveney Norse Limited and the following group companies: Devon Norse Limited, Enfield Norse Limited, Great Yarmouth Norse Limited, GYB Services Limited, Medway Norse Limited, Medway Norse Transport, Newport Norse Limited, Norfolk Environmental Waste Services Limited, Norse Commercial Services Limited, Norse Eastern Limited, Norse Transport, Suffolk Coastal Norse Limited, Suffolk Norse Limited, Suffolk Norse Transport, Wellingborough Norse Limited, Eventguard Limited and Norse South East Limited. The indebtedness subject to this guarantee at the period end was £nil.

The nature of the group'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.

17. PENSION COMMITMENTS

The pension cost represents contributions payable by the company to the scheme and amounted to £423,766 (2016: £492,251). Outstanding contributions amounted to £Nil (2016: £Nil) and are included within other creditors.

18. COMMITMENTS UNDER OPERATING LEASES

Under the terms of its agreement with Waveney District Council (WDC), the company operates a fleet of vehicles on behalf of WDC. These remain under the ultimate ownership of WDC, but the company has operational responsibility for them. These assets are not shown on the company's balance sheet, as the arrangement is regarded as being similar to an operating lease. However, as there is no charge for the use of these assets, as they are largely used on work carried out for WDC, no operating lease commitment is shown.

WAVENEY NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2017**

19. 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 Norse Commercial Services Limited, the immediate parent undertaking, fellow subsidiaries of this Group, Norfolk County Council, the ultimate parent undertaking and Waveney District Council.

RELATED PARTY TRANSACTIONS

	Sales £	Purchases £	Debtors £	Creditors £
2017				
Norse Commercial Services Limited	-	(396,747)	2,510,180	-
Waveney District Council	7,719,106	(12,578)	742,321	(709,601)
Norfolk County Council	-	(3,500)	-	(20,500)
NPS North East Limited	-	(1,533)	-	-
GYB Services Limited	-	(4,512)	-	-
Norse Eastern Limited	1,139	(1,708)	-	-
Eventguard Limited	-	(16,486)	-	-
Suffolk Coastal Norse Limited	164,604	(292,678)	-	-
Suffolk Norse Limited	494	-	-	-
Suffolk Norse Transport Limited	1,804	-	-	-

	Sales £	Purchases £	Debtors £
2016			
Norse Commercial Services Limited	65	(538,718)	2,485,497
Waveney District Council	8,444,385	(14,725)	-
Norfolk County Council	-	(3,500)	-
Norse Environmental Waste Services Limited	-	(47,075)	-
GYB Services Limited	-	(6,099)	-
Norse Eastern Limited	-	(8,999)	-
Norse Transport	3,610	-	-

There were no creditor balances with related parties as at 3 April 2016.

WAVENEY NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2017**

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking and smallest group to consolidate these financial statements, is Norse Commercial Services Limited and 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. Copies of the Norfolk County Council consolidated financial statements can be obtained from www.norfolk.gov.uk.