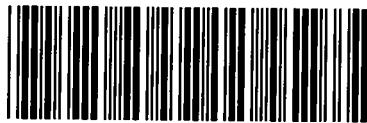


Registered number: 06600996

## WAVENEY NORSE LIMITED

### DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 2 FEBRUARY 2014



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**WAVENEY NORSE LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	P M Hawes A J Merricks D Gallagher M T Emms A J Charvonia
<b>COMPANY SECRETARY</b>	H L Jones
<b>REGISTERED NUMBER</b>	06600996
<b>REGISTERED OFFICE</b>	Lancaster House 16 Central Avenue St Andrews Business Park Norwich Norfolk NR7 0HR
<b>INDEPENDENT AUDITORS</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Kingfisher House 1 Gilders Way St James Place Norwich Norfolk NR3 1UB
<b>BANKERS</b>	Co-operative Bank Olympic House 6 Olympic Court Salford M5 2QP

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## WAVENEY NORSE LIMITED

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### CONTENTS

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	Page
<b>Directors' report</b>	1 - 2
<b>Strategic report</b>	3 - 4
<b>Independent auditors' report</b>	5 - 6
<b>Profit and loss account</b>	7
<b>Balance sheet</b>	8
<b>Cash flow statement</b>	9
<b>Notes to the financial statements</b>	10 - 18

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## WAVENEY NORSE LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 2 FEBRUARY 2014

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The directors present their report and the financial statements for the period ended 2 February 2014.

#### RESULTS

The profit for the period, after taxation, amounted to £228,168 (2013 - £212,940).

#### MATTERS COVERED IN THE STRATEGIC REPORT

The sections which have previously been included within the Directors' report which are now included within the Strategic report are; Business review, outlook, principal risks and uncertainties, financial risk management objectives and policies and key performance indicators.

#### DIRECTORS

The directors who served during the period were:

P M Hawes  
A J Merricks  
S Baker (resigned 15 July 2014)  
D M Ball (resigned 19 April 2013)  
D Gallagher  
C E James (appointed 19 April 2013 & resigned 14 July 2013)  
M T Emms (appointed 1 September 2013)  
P Fuller (appointed 15 July 2013 & resigned 1 September 2013)

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. 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.

Subsequent to the period end, on 15 July 2014, A J Charvonia was appointed as a director.

#### EMPLOYEE INVOLVEMENT

The company keeps 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.

#### 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.

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## WAVENEY NORSE LIMITED

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### DIRECTORS' REPORT FOR THE PERIOD ENDED 2 FEBRUARY 2014

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#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report, the Strategic report and 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). 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### DISCLOSURE OF INFORMATION TO AUDITORS

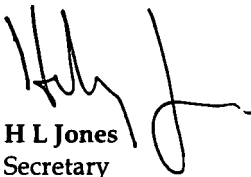
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

#### AUDITORS

The auditors, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21 August 2014 and signed on its behalf.

  
H L Jones  
Secretary

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## WAVENEY NORSE LIMITED

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### STRATEGIC REPORT FOR THE PERIOD ENDED 2 FEBRUARY 2014

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#### INTRODUCTION

The directors present their Strategic Report for the period ended 2 February 2014.

#### BUSINESS REVIEW

The company continues to work largely for Waveney District Council, providing a range of cleansing, waste management, and maintenance services. The company has traded profitably this year, and has worked closely with both Waveney District Council and with Suffolk Coastal Services Ltd to deliver operational efficiencies.

##### Outlook

Pressures on public sector budgets will limit expansion opportunities and will put some pressure on margins. However the core workload of the company is stable as the services provided are essential for the local community. Closer working between Suffolk Coastal and Waveney Councils is continuing, and this is being mirrored in work done to streamline services provided by Waveney Norse and sister company Suffolk Coastal Services Ltd.

#### PRINCIPAL RISKS AND UNCERTAINTIES

Pressures on public sector budgets will limit expansion opportunities and will put some pressure on margins. However the core workload of the company is stable as the services provided are essential for the local community. Closer working between Suffolk Coastal and Waveney Councils is continuing, and this is being mirrored in work done to streamline services provided by Waveney Norse and sister company Suffolk Coastal Services Ltd.

#### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

In common with other businesses, the company aims to minimise financial risk. The measures used by the directors to manage this risk include the preparation of profit and cash flow forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the requirements of the business. Trade debtors are closely monitored to keep the risk of bad debts to a minimum level.

##### Credit risk

Credit limits are set for customers based on a combination of credit checks and trading history, the limits are reviewed regularly and the debts are actively chased by the credit control department.

##### Liquidity risk

Working capital requirements are regularly reviewed in conjunction with available financing facilities as part of routine financial management.

##### Currency risk

As the vast majority of both sales and purchases are transacted in sterling, the company has minimal exposure to translation and transaction foreign exchange risk.

#### FINANCIAL KEY PERFORMANCE INDICATORS

The company uses a range of performance measures to monitor and manage the business effectively. The financial measures are reported on using the Balanced Scorecard performance monitoring system.

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## WAVENEY NORSE LIMITED

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### STRATEGIC REPORT (continued)

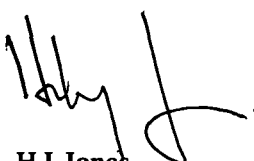
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#### FINANCIAL KEY PERFORMANCE INDICATORS (continued)

The key financial performance indicators (KPI's) are turnover, gross profit and margin and net profit and margin. The key non financial indicator is the average number of employees. The directors are satisfied with the performance of the company in the period. The KPI's for the period ended 2 February 2014 with comparatives for the period ended 27 January 2013 are as follows:

	2014	2013
TURNOVER £	9,728,343	10,017,187
GROSS PROFIT £	2,291,601	2,486,276
GROSS MARGIN	23.56 %	24.82 %
NET PROFIT BEFORE TAXATION £	301,465	281,840
NET MARGIN	3.10 %	2.81 %
AVERAGE NUMBER OF EMPLOYEES	221	245

This report was approved by the board on 21 August 2014 and signed on its behalf.



H L Jones  
Secretary

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## WAVENEY NORSE LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAVENEY NORSE LIMITED

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We have audited the financial statements of Waveney Norse Limited for the period ended 2 February 2014, which comprise the Profit and loss account, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 2 February 2014 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.



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WAVENEY NORSE LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAVENEY NORSE LIMITED

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

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

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



Anders Rasmussen (Senior statutory auditor)

for and on behalf of

**Grant Thornton UK LLP**

Chartered Accountants

Statutory Auditor

Norwich

Date: 27/8/2014

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WAVENEY NORSE LIMITED

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PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 2 FEBRUARY 2014

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	Note	Period ended 2 February 2014 £	Period ended 27 January 2013 £
<b>TURNOVER</b>	1,2	<b>9,728,343</b>	<b>10,017,187</b>
Cost of sales		<b>(7,436,742)</b>	<b>(7,530,911)</b>
<b>GROSS PROFIT</b>		<b>2,291,601</b>	<b>2,486,276</b>
Administrative expenses		<b>(1,990,136)</b>	<b>(2,204,532)</b>
<b>OPERATING PROFIT</b>	3	<b>301,465</b>	<b>281,744</b>
Interest receivable and similar income		-	96
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>301,465</b>	<b>281,840</b>
Tax on profit on ordinary activities	6	<b>(73,297)</b>	<b>(68,900)</b>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	12	<b>228,168</b>	<b>212,940</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 10 to 18 form part of these financial statements.

**WAVENEY NORSE LIMITED**  
**REGISTERED NUMBER: 06600996**

**BALANCE SHEET**  
**AS AT 2 FEBRUARY 2014**

	Note	£	2 February 2014 £	£	27 January 2013 £
<b>CURRENT ASSETS</b>					
Stocks	7	54,850		44,168	
Debtors	8	2,098,608		1,864,611	
Cash at bank		9,442		8,729	
		<u>2,162,900</u>		<u>1,917,508</u>	
<b>CREDITORS: amounts falling due within one year</b>					
	9	<u>(1,347,190)</u>		<u>(1,329,966)</u>	
<b>NET CURRENT ASSETS</b>			<b>815,710</b>		<b>587,542</b>
<b>NET ASSETS</b>			<b>815,710</b>		<b>587,542</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		<b>10</b>		<b>10</b>
Profit and loss account	12		<b>815,700</b>		<b>587,532</b>
<b>SHAREHOLDERS' FUNDS</b>	13		<b>815,710</b>		<b>587,542</b>

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

21 August 2014.

  
P M Hawes  
Director

The notes on pages 10 to 18 form part of these financial statements.

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WAVENEY NORSE LIMITED

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**CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 2 FEBRUARY 2014**

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	<b>Note</b>	<b>Period ended 2 February 2014 £</b>	<b>Period ended 27 January 2013 £</b>
Net cash flow from operating activities	14	77,344	32,478
Returns on investments and servicing of finance	15	-	96
Taxation		(76,631)	(25,800)
<b>INCREASE IN CASH IN THE PERIOD</b>		<b>713</b>	<b>6,774</b>

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS  
FOR THE PERIOD ENDED 2 FEBRUARY 2014**

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	<b>Period ended 2 February 2014 £</b>	<b>Period ended 27 January 2013 £</b>
Increase in cash in the period	713	6,774
<b>MOVEMENT IN NET FUNDS IN THE PERIOD</b>	<b>713</b>	<b>6,774</b>
Net funds at 28 January 2013	8,729	1,955
<b>NET FUNDS AT 2 FEBRUARY 2014</b>	<b>9,442</b>	<b>8,729</b>

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The notes on pages 10 to 18 form part of these financial statements.

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## WAVENEY NORSE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 FEBRUARY 2014

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

##### 1.2 Going concern

The company has been profitable and forecasts prepared by the directors indicate that it will continue to trade profitably in the current financial year. The company also does not have any external borrowings as any finance required is provided by the parent company, Norse Commercial Services Limited, via an intercompany loan account. As a consequence the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, it remains appropriate to prepare the financial statements on a going concern basis.

##### 1.3 Turnover

Turnover represents the amount derived from the provision of services, excluding VAT and trade discounts, charged on an accruals basis and recognised to the extent that the company has obtained the right to consideration through its performance.

##### 1.4 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Work in progress is valued on the basis of direct costs plus attributable overheads. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

##### 1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

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## WAVENEY NORSE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 FEBRUARY 2014

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 Pensions

The contributions to the pension scheme have been treated as if they are contributions to a defined contribution scheme, despite the members being part of Suffolk Pension Fund defined benefit scheme. The company is required to pay contributions at a set percentage for the life of the agreement, with any increase or decrease in funding requirements being met in full by Waveney District Council.

##### 1.7 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

#### 2. TURNOVER

The whole of the turnover is attributable to refuse, cleansing and maintenance services.

All turnover arose within the United Kingdom.

#### 3. OPERATING PROFIT

The operating profit is stated after charging:

	<b>Period ended 2 February 2014 £</b>	<i>Period ended 27 January 2013 £</i>
Auditors' remuneration	<b>5,550</b>	<i>5,550</i>

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WAVENEY NORSE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 FEBRUARY 2014

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4. STAFF COSTS

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

	<b>Period ended 2 February 2014 £</b>	<b>Period ended 27 January 2013 £</b>
Wages and salaries	3,765,966	3,792,427
Social security costs	267,782	260,919
Other pension costs	324,770	313,836
	<u>4,358,518</u>	<u>4,367,182</u>

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

	<b>Period ended 2 February 2014 No.</b>	<b>Period ended 27 January 2013 No.</b>
Operations staff	193	219
Administrative staff	28	26
	<u>221</u>	<u>245</u>

5. DIRECTORS' REMUNERATION

	<b>Period ended 2 February 2014 £</b>	<b>Period ended 27 January 2013 £</b>
Remuneration	<u>50,477</u>	<u>47,706</u>

During the period retirement benefits were accruing to 3 directors (2013 - 3) in respect of group defined benefit pension schemes.

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**WAVENEY NORSE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 FEBRUARY 2014**

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**6. TAXATION**

	<b>Period ended 2 February 2014 £</b>	<b>Period ended 27 January 2013 £</b>
<b>Analysis of tax charge in the period</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the period	76,024	67,912
Adjustments in respect of prior periods	8,719	(3,172)
<b>Total current tax</b>	<u>84,743</u>	<u>64,740</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(5,344)	836
Adjustments in respect of prior periods	(6,102)	3,324
<b>Total deferred tax</b> (see note 10)	<u>(11,446)</u>	<u>4,160</u>
<b>Tax on profit on ordinary activities</b>	<u><u>73,297</u></u>	<u><u>68,900</u></u>

**Factors affecting tax charge for the period**

The tax assessed for the period is higher than (2013 - *lower than*) the standard rate of corporation tax in the UK of 23% (2013 - 24%). The differences are explained below:

	<b>Period ended 2 February 2014 £</b>	<b>Period ended 27 January 2013 £</b>
Profit on ordinary activities before tax	<u>301,465</u>	<u>281,840</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	69,337	67,642
<b>Effects of:</b>		
Expenses not deductible for tax purposes	586	228
Differences between capital allowances and depreciation	6,338	317
Adjustments to tax charge in respect of prior periods	8,719	(3,172)
Other timing differences	(192)	(1,189)
Impact of changes in statutory tax rates	(45)	914
<b>Current tax charge for the period</b> (see note above)	<u><u>84,743</u></u>	<u><u>64,740</u></u>



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**WAVENEY NORSE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 FEBRUARY 2014**

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**6. TAXATION (continued)**

**Factors that may affect future tax charges**

Legislation to reduce the main rate of corporation tax from 23% to 20% by 1 April 2015 was included in the Finance Act 2013 and has since become substantively enacted. Deferred tax has been provided for at 20% in these financial statements.

**7. STOCKS**

	2 February 2014 £	27 January 2013 £
Raw materials	54,850	38,048
Work in progress	-	6,120
	<u>54,850</u>	<u>44,168</u>

**8. DEBTORS**

	2 February 2014 £	27 January 2013 £
Trade debtors	183,656	343,691
Amounts owed by group undertakings (note 19)	1,806,000	1,421,305
Other debtors	21,929	23,985
Prepayments and accrued income	67,405	67,458
Deferred tax asset (see note 10)	19,618	8,172
	<u>2,098,608</u>	<u>1,864,611</u>

**9. CREDITORS:**

**Amounts falling due within one year**

	2 February 2014 £	27 January 2013 £
Trade creditors	476,939	298,770
Amounts owed to group undertakings (note 19)	570	620
Corporation tax	76,024	67,912
Other taxation and social security	73,597	78,867
Other creditors	57,275	43,350
Accruals and deferred income	662,785	840,447
	<u>1,347,190</u>	<u>1,329,966</u>

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**WAVENEY NORSE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 FEBRUARY 2014**

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**10. DEFERRED TAX ASSET**

	<b>2 February 2014</b>	<i>27 January 2013</i>
	<b>£</b>	<b>£</b>
At beginning of period	<b>8,172</b>	12,332
Credit / (charge) to profit and loss account in the period	<b>11,446</b>	(4,160)
	<hr/>	<hr/>
At end of period	<b>19,618</b>	8,172
	<hr/>	<hr/>

The deferred tax asset is made up as follows:

	<b>2 February 2014</b>	<i>27 January 2013</i>
	<b>£</b>	<b>£</b>
Depreciation in excess of capital allowances	<b>6,583</b>	1,575
Other timing differences	<b>13,035</b>	6,597
	<hr/>	<hr/>
	<b>19,618</b>	8,172
	<hr/>	<hr/>

**11. SHARE CAPITAL**

	<b>2 February 2014</b>	<i>27 January 2013</i>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
199 Ordinary A shares of £0.01 each	<b>2</b>	2
801 Ordinary B shares of £0.01 each	<b>8</b>	8
	<hr/>	<hr/>
	<b>10</b>	10
	<hr/>	<hr/>

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.

**12. RESERVES**

	<b>Profit and loss account £</b>
At 28 January 2013	<b>587,532</b>
Profit for the financial period	<b>228,168</b>
	<hr/>
At 2 February 2014	<b>815,700</b>
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**WAVENEY NORSE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 FEBRUARY 2014**

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**13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>2 February 2014 £</b>	<i>27 January 2013 £</i>
Opening shareholders' funds	587,542	374,602
Profit for the financial period	228,168	212,940
Closing shareholders' funds	<u>815,710</u>	<u>587,542</u>

**14. NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>Period ended 2 February 2014 £</b>	<i>Period ended 27 January 2013 £</i>
Operating profit	301,465	281,744
Increase in stocks	(10,682)	(13,236)
Increase in debtors	(222,551)	(360,435)
Increase in creditors	9,112	124,405
Net cash inflow from operating activities	<u>77,344</u>	<u>32,478</u>

**15. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	<b>Period ended 2 February 2014 £</b>	<i>Period ended 27 January 2013 £</i>
Returns on investments and servicing of finance		
Interest received	-	96

**16. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>28 January 2013 £</b>	<b>Cash flow £</b>	<b>Other non-cash changes £</b>	<b>2 February 2014 £</b>
Cash at bank and in hand	8,729	713	-	9,442
Net funds	<u>8,729</u>	<u>713</u>	<u>-</u>	<u>9,442</u>

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**WAVENEY NORSE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 FEBRUARY 2014**

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**17. 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 end was £2,217,913 (2013: £2,165,729).

**18. OPERATING LEASE DISCLOSURES**

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.

**19. RELATED PARTY TRANSACTIONS**

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 and the wider Norse Group, Norfolk County Council and Waveney District Council, the minority shareholder.

	Period ended 2 February 2014 Sales £	Period ended 2 February 2014 Purchases £	2 February 2014 Debtors £	2 February 2014 Creditors £
Norse Commercial Services Limited	1,362	(442,793)	1,794,926	-
Suffolk Coastal Services Limited	-	(380,583)	-	-
Waveney District Council	9,474,402	(301,466)	-	(301,466)
Norfolk County Council	940	-	-	(570)
NPS Property Consultants Limited	-	-	-	-
Norfolk Environmental Waste Services Limited	101,744	(2,431)	11,074	-
Norse Eastern Limited	11,592	(20,659)	-	-
Suffolk Norse Limited	128	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

	Period ended 27 January 2013 Sales £	Period ended 27 January 2013 Purchases £	27 January 2013 Debtors £	27 January 2013 Creditors £
Norse Commercial Services Limited	3,386	494,464	1,325,141	-
Suffolk Coastal Services Limited	-	-	96,164	-
Waveney District Council	11,449,158	10,897	123,477	-
NPS Property Consultants Limited	11,076	-	-	-
Norfolk County Council	-	2,500	-	(620)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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**WAVENEY NORSE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 2 FEBRUARY 2014**

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**20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent undertaking is Norse Commercial Services Limited by virtue of their 80% ownership and consolidated financial statements for this group are available from Companies House, Cardiff, CF4 3UZ.

The ultimate parent undertaking is Norse Group Limited and consolidated financial statements for this group are available from Companies House, Cardiff, CF4 3UZ.

The company's ultimate controlling party is Norfolk County Council by virtue of its ownership of 100% of the ordinary share capital of Norse Group Limited.