Registered number: 06600996

WAVENEY NORSE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

WAVENEY NORSE LIMITED

COMPANY INFORMATION

DIRECTORS	D T Wetteland A J Merricks M T Emms A Jarvis S J H Burroughes
REGISTERED NUMBER	06600996
REGISTERED OFFICE	280 Fifers Lane Norwich Norfolk NR6 6EQ
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors The Maurice Wilkes Building St John's Innovation Park Cowley Road Cambridge Cambridgeshire CB4 0DS
BANKERS	Barclays Bank plc PO Box 885 Mortlock House Histon Cambridge CB24 9DE

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and the audited financial statements for the year ended 31 March 2019.

The financial statements are prepared to the closest Sunday to 31 March. This represents 52 weeks of trading to 31 March 2019 *(2018 - 52 weeks of trading to 1 April 2018).*

RESULTS

The profit for the financial year, amounted to £250,800 *(2018 - £306,506).* The net assets of the company as at 31 March 2019 are £2,173,321 *(2018 - £1,922,511).*

OUTLOOK

The company carries out the majority of its work for Waveney District Council, under a long term agreement. Whilst pressures on public sector budgets is likely to result in some changes to service provision, the overall risk to the company is considered low. Subsequent to the year end Waveney District Council and Suffolk Coastal District Council combined to form East Suffolk Council. As a result the company now predominately trades with East Suffolk Council.

DIRECTORS

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

D T Wetteland
A J Merricks
M T Emms
A Jarvis
K Blair (resigned 28 June 2019)
S J H Burroughes (appointed 17 July 2019)

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

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 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

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 judgements 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; and
- 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.

DIRECTORS' CONFIRMATIONS

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 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.

INDEPENDENT AUDITORS

Pursuant to section 487 of the Companies Act 2016, the independent auditors will be deemed reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

SMALL COMPANY 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:

D T Wetteland
Director

Date: 2.8.19

Independent auditors' report to the members of Waveney Norse Limited

Report on the audit of the financial statements

Opinion

In our opinion, Waveney Norse Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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

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: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Andy Grimbly

Andy Grimbly (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
02 August 2019

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	*2018* *£*
Revenue	4	9,839,975	*9,085,241*
Cost of sales		(7,696,454)	*(6,926,651)*
GROSS PROFIT		2,143,521	*2,158,590*
Administrative expenses		(1,842,258)	*(1,790,193)*
OPERATING PROFIT AND PROFIT BEFORE TAX		301,263	*368,397*
Tax on profit	9	(50,463)	*(61,891)*
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		250,800	*306,506*

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 *(2018 - £NIL)*.

The notes on pages 9 to 24 form an integral part of these financial statements.

WAVENEY NORSE LIMITED
REGISTERED NUMBER: 06600996

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note		31 March 2019 £		1 April 2018 £
CURRENT ASSETS					
Inventories	10	208,357		*313,837*	
Trade and other receivables: amounts falling due within one year	11	2,928,077		*2,664,489*	
Cash and cash equivalents	12	186,579		*4,611*	
		3,323,013		*2,982,937*	
Trade and other payables: amounts falling due within one year	13	(1,149,692)		*(1,060,416)*	
NET CURRENT ASSETS			2,173,321		*1,922,521*
NET ASSETS			2,173,321		*1,922,521*
EQUITY					
Called up share capital	15		10		*10*
Profit and loss account	16		2,173,311		*1,922,511*
TOTAL EQUITY			2,173,321		*1,922,521*

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 24 were approved and authorised for issue by the board and were signed on its behalf by:

D T Wetteland
Director

Date: 2.8.19

The notes on pages 9 to 24 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 2 April 2018	10	1,922,511	1,922,521
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the financial year	-	250,800	250,800
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	250,800	250,800
AT 31 MARCH 2019	10	2,173,311	2,173,321

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 1 APRIL 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 3 April 2017	10	1,616,005	1,616,015
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the financial year	-	306,506	306,506
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	306,506	306,506
AT 1 APRIL 2018	10	1,922,511	1,922,521

The notes on pages 9 to 24 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. GENERAL INFORMATION

The company is a private company, limited by shares, incorporated and domiciled in England and registered at 280 Fifers Lane, Norwich, Norfolk, NR6 6EQ.

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

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historic cost convention and in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101, 'Reduced Disclosure Framework' (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 British Pounds 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.

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

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 meets its liabilities as they fall due. Accordingly, the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

2.4 NEW STANDARDS, AMENDMENTS AND IFRIC INTERPRETATIONS

IFRS 9, 'Financial Instruments' and IFRS 15, 'Revenue from Contracts with Customers' are new accounting standards that are effective for the year ended 31 March 2019 and have had no material impact on the company (see note 21). There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2019 that have had a material impact on the company.

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 recognises revenue when it transfers control over a product or service to a customer.

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.

Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

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 outbasis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If inventory 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

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are initially recognised at fair value. The company holds the trade receivables with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost, less any provision for impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss. Prior to the adoption of IFRS 9, allowances were made when there was objective evidence that the asset was impaired. From 2 April 2018, the company has applied IFRS 9 and has used the simplified approach to measuring credit losses, using a lifetime expected loss allowance for all trade receivables and contract assets. No material measurement changes were recorded as a result of adopting IFRS 9. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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 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 expected credit losses (ECL) for trade receivables and amounts due on contracts 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

2. ACCOUNTING POLICIES (CONTINUED)

2.9 FINANCIAL INSTRUMENTS (continued)

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.

2.10 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.

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 to the extent that it relates to items recognised in other comprehensive income or directly in shareholder's funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholder's funds, 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 taxable income.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition of other assets and liabilities (other than in a business combination) in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated, without discounting, based on the laws enacted or substantively enacted by the reporting date and at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

To be able to prepare financial statements according to FRS 101, management must make estimates and assumptions that affect 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 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.

There are no judgements, estimates or assumptions that have a significant impact on the recognition and measurement of assets, liabilities, income or expenses.

4. REVENUE

All revenue arose within the United Kingdom.

	2019 £	2018 £
Revenue by service		
Cleaning	537,160	477,225
Grounds	1,584,576	1,618,390
Facilities management	1,859,126	1,537,115
Security	544,069	545,380
Waste and environmental	5,315,044	4,907,131
Total revenue	9,839,975	9,085,241

5. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Impairment of trade receivables	10,500	*3,882*
Cost of inventories recognised as an expense	1,172,983	*313,837*

6. AUDITORS' REMUNERATION

The company paid the following amounts to its auditors in respect of the audit of the financial statement and for other services provided to the company:

	2019 £	2018 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	8,500	*6,850*

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.

7. EMPLOYEES

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

	2019 £	*2018* *£*
Wages and salaries	4,061,784	*3,881,825*
Social security costs	336,729	*324,119*
Other pension costs	360,549	*360,632*
	4,759,062	*4,566,576*

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

	2019 No.	*2018* *No.*
Operational staff	208	*206*
Administrative staff	26	*26*
	234	*232*

8. DIRECTORS' REMUNERATION

	2019 £	*2018* *£*
Directors' emoluments	57,747	*33,114*

During the year retirement benefits were accruing to one director *(2018 - one)* in respect of defined benefit pension schemes.

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

9. TAX ON PROFIT

	2019	*2018*
	£	*£*
CURRENT TAX		
UK corporation tax on profits for the year	47,925	*80,934*
Adjustments in respect of prior periods	(10,837)	*(1,701)*
TOTAL CURRENT TAX	37,088	*79,233*
DEFERRED TAX		
Origination and reversal of timing differences	11,229	*(17,342)*
Adjustments in respect of prior periods	2,146	*-*
TOTAL DEFERRED TAX	13,375	*(17,342)*
TAX ON PROFIT	50,463	*61,891*

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than *(2018 - lower than)* the standard rate of corporation tax in the UK for the year ended 31 March 2019 of 19% *(2018 - 19%)*. The differences are explained below:

	2019	*2018*
	£	*£*
Profit before tax	301,263	*368,397*
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	57,240	*69,995*
EFFECTS OF:		
Expenses not deductible for tax purposes	1,914	*(6,403)*
Adjustments in respect of prior periods	(8,691)	*(1,701)*
TOTAL TAX CHARGE FOR THE YEAR	50,463	*61,891*

9. 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 2016 (on 6 September 2016). These include reductions to the main rate 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.

10. INVENTORIES

	31 March 2019 £	*1 April 2018* £
Raw materials and consumables	61,324	*68,926*
Work in progress (goods to be sold)	147,033	*244,911*
	208,357	*313,837*

No amounts have been charged to the income statement in the current or previous year in relation to stock provisions and write offs.

11. TRADE AND OTHER RECEIVABLES

	31 March 2019 £	*1 April 2018 £*
Trade receivables	212,522	*458,223*
Amounts owed by group undertakings	2,599,861	*2,082,723*
Other receivables	21,997	*3,301*
Prepayments and accrued income	69,952	*83,122*
Deferred taxation	23,745	*37,120*
	2,928,077	*2,664,489*

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 *(2018 - £Nil).*

Trade receivables are stated after provisions for impairment of £15,589 *(2018 - £6,767).*

12. CASH AND CASH EQUIVALENTS

	31 March 2019 £	*1 April 2018 £*
Cash at bank and in hand	186,579	*4,611*

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

	31 March 2019 £	*1 April 2018 £*
Trade payables	206,717	*282,815*
Amounts owed to group undertakings	4,872	*15,623*
Corporation tax	47,925	*80,934*
Other payables	2,005	*459*
Accruals and deferred income	888,173	*680,585*
	1,149,692	*1,060,416*

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

14. DEFERRED TAXATION

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

	31 March 2019 £	*1 April 2018 £*
At beginning of year	37,120	*19,778*
(Charged)/credited to the profit or loss	(13,375)	*17,342*
AT END OF YEAR	23,745	*37,120*

Deferred tax is provided for at 17% *(2018 - 17%)* in the financial statements and consists of the following:

	31 March 2019 £	*1 April 2018 £*
Difference between capital allowances and depreciation	18,617	*26,590*
Other timing differences	5,128	*10,530*
	23,745	*37,120*

15. CALLED UP SHARE CAPITAL

	31 March 2019 £	*1 April 2018 £*
Allotted, called up and fully paid		
199 *(2018 - 199)* Ordinary A shares of £0.01 each	2	*2*
801 *(2018 - 801)* Ordinary B shares of £0.01 each	8	*8*
	10	*10*

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.

16. PROFIT AND LOSS ACCOUNT

Includes all current and prior year retained profits and losses.

17. CONTINGENT LIABILITIES

The company is part of the Norse Commercial Service 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 £3,384,525 *(2018 - £2,245,484)*.

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, Norse South East Limited and Daventry Norse Limited. The indebtedness subject to this guarantee at the year end was £nil *(2018 - £nil)*.

The nature of the company's activities, particularly in relation to it's 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.

18. PENSION COMMITMENTS

The pension cost represents contributions payable by the company to the scheme and amounted to £360,549 *(2018 - £360,632)*. Outstanding contributions amounted to £nil *(2018 - £nil)* and are included within other payables.

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, Norfolk County Council, the ultimate parent undertaking and Waveney District Council.

	Sales	**Purchases**	**Receivables**	**Payables**
	£	**£**	**£**	**£**
2019				
Norse Commercial Services Limited	-	(483,387)	2,599,085	-
Waveney District Council	6,931,113	(1,690)	92,117	(356,639)
Norfolk County Council	-	(2,500)	776	-
GYB Services Limited	-	(2,390)	-	-
Norse Eastern Limited	2,430	(6,010)	-	-
Eventguard Limited	-	(14,656)	-	-
Great Yarmouth Norse Limited	-	(9,371)	-	-
NPS Property Consultants Limited	-	(143)	-	-
Norwich Norse (Environmental) Limited	-	(128)	-	(4,872)

	Sales	*Purchases*	*Receivables*	*Payables*
	£	*£*	*£*	*£*
2018				
Norse Commercial Services Limited	-	*(438,537)*	*2,082,723*	*(10,904)*
Waveney District Council	*5,538,084*	*(813)*	*42,809*	*(141)*
Norfolk County Council	*1,382*	*(7,000)*	-	-
GYB Services Limited	-	*(2,590)*	-	-
Norse Eastern Limited	*1,167*	*(3,846)*	-	-
Eventguard	-	*(28,548)*	-	-
Norwich Norse (Environmental) Limited	-	*(4,719)*	-	*(4,719)*

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.

21. CHANGE IN ACCOUNTING STANDARDS

Following the adoption in the year of IFRS 9, 'Financial Instruments' and IFRS 15, 'Revenue from Contracts with Customers', the following details the impact of the adoption on the company's financial statements.

IFRS 9, 'Financial Instruments'

As at 2 April 2018, the company assessed the requirements of IFRS 9. The standard includes requirements for impairment, classification and measurement.

IFRS 9 introduces an 'expected credit loss' model for recognising impairment of financial assets held at amortised cost. This is different from IAS 39, which had an incurred loss model where provisions were recognised only when there was objective evidence of impairment. The change of approach requires the company to consider forward-looking information to calculate expected credit losses regardless of whether there has been an impairment trigger. Given the quality and short-term nature of the trade receivables within the company, there is no material impact to the level of impairment required as such no adjustment has been made to the opening balance of retained earnings as at 2 April 2018.

The application of IFRS 9 has also not resulted in a significant increase of impairment of financial assets measured at amortised cost in the current year as compared to impairment recognised under previous accounting policies.

The company has also considered the changes to classification and measurement of financial assets and liabilities and has concluded that these changes do not impact the company.

IFRS 15, 'Revenue from Contracts with Customers'

The adoption of IFRS 15 by the company from 2 April 2018 has resulted in changes in accounting polices and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in IFRS 15, the company has applied the modified retrospective approach, which results in the cumulative effect of initially applying this standard being an adjustment to the opening balance of accumulated losses as at 2 April 2018.

Under IFRS 15, revenue recognition is based on the principle that revenue is recognised when control of a good or service transfers to a customer. For the company, the transfer of control principle under IFRS 15 and the previous recognition criteria under IAS 18 are broadly consistent, except in cases where the IAS 18 criteria are not met.

Previously under IAS 18, if the recognition criteria was not met, revenue was only recognised up to the extent of the expenses recognised that were recoverable (a "cost-recovery approach"), with any additional payments deferred, until the recognition criteria was met. Under IFRS 15, this is no longer the case because revenue can be recognised when performance obligations are met. There is no impact of the adoption of IFRS 15 on the company's opening balance sheet at 2 April 2018.