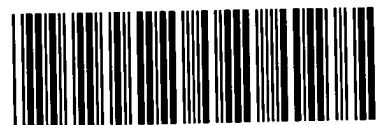


WAVENEY NORSE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2020

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COMPANIES HOUSE

WAVENEY NORSE LIMITED

COMPANY INFORMATION

DIRECTORS

D T Wetteland
A Jarvis
S J H Burroughes
H R Forster
N P Maddox

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
5-6 Red Lion Street
Norwich
Norfolk
NR1 3QH

WAVENEY NORSE LIMITED

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WAVENEY NORSE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 29 MARCH 2020

The directors present their report and the audited financial statements for the year ended 29 March 2020.

For the purposes of these financial statements the term 'year' represents the 364 days to 29 March 2020.

The financial statements are prepared to the closest Sunday to 31 March. This represents 52 weeks of trading to 29 March 2020 (2019 - 52 weeks of trading to 31 March 2019).

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £132,793 (2019 - £250,800).

The net assets at the end of the year were £2,306,114 (2019 - £2,173,321).

The directors have not proposed or paid any dividends during the financial period (2019: £Nil).

DIRECTORS

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

D T Wetteland

A J Merricks (resigned 18 February 2020)

M T Emms (resigned 7 February 2020)

A Jarvis

S J H Burroughes (appointed 17 July 2019)

H R Forster (appointed 18 February 2020)

K Blair (resigned 28 June 2019)

N P Maddox (appointed 7 February 2020)

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.

WAVENEY NORSE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 29 MARCH 2020

GOING CONCERN

The company remains profit making and has positive net current assets but Covid-19 has impacted forecast expectations for 2020/21 and 2021/22. The expectation is that the nature of the business limits the potential impact, but that in the short term it will impact negatively on trading and as such results for 2020/21 and 2021/22 are expected to be below that reported for the 2019/20 financial year. The company has been able to claim furlough and receive other funding provided by the Government to help support businesses impacted by Covid-19, which has enabled it to mitigate some of the impact.

The entity operates as part of a wider group and as such the directors have received confirmation from Norse Group Limited that it will provide, for a period of at least 12 months from the date of signing these financial statements, such financial support as is necessary to allow the company to meet its liabilities as they fall due. 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.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 to 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 29 MARCH 2020**

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
- the 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.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

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.



D T Wetteland
Director

Date: 8 March 2021

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 29 March 2020 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 29 March 2020; the statement of comprehensive income for the year ended 29 March 2020, the statement of changes in equity for the year ended 29 March 2020; 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- 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.

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.

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 29 March 2020 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, 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.



Bree Sherwood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
10 March 2021

WAVENEY NORSE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 MARCH 2020

	Note	2020 £	2019 £
Revenue	4	10,423,652	9,839,975
Cost of sales		(8,361,772)	(7,696,454)
GROSS PROFIT		2,061,880	2,143,521
Administrative expenses		(1,903,710)	(1,842,258)
OPERATING PROFIT AND PROFIT BEFORE TAX		158,170	301,263
Tax on profit	9	(25,377)	(50,463)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		132,793	250,800

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019 - £NIL).

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

WAVENEY NORSE LIMITED
REGISTERED NUMBER: 06600996

STATEMENT OF FINANCIAL POSITION
AS AT 29 MARCH 2020

	Note	29 March 2020 £	31 March 2019 £
CURRENT ASSETS			
Inventories	10	127,451	208,357
Trade and other receivables: amounts falling due within one year	11	3,140,586	2,928,077
Cash and cash equivalents		302	186,579
		<u>3,268,339</u>	<u>3,323,013</u>
Trade and other payables: amounts falling due within one year	12	(962,225)	(1,149,692)
NET CURRENT ASSETS		<u>2,306,114</u>	<u>2,173,321</u>
NET ASSETS		<u><u>2,306,114</u></u>	<u><u>2,173,321</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	10	10
Profit and loss account	15	2,306,104	2,173,311
TOTAL EQUITY		<u><u>2,306,114</u></u>	<u><u>2,173,321</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 authorised for issue by the board and were signed on its behalf by:



D T Wetteland
Director

Date: 8 march 2021

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

WAVENEY NORSE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 MARCH 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2019	10	2,173,311	2,173,321
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the financial year	-	132,793	132,793
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	132,793	132,793
AT 29 MARCH 2020	10	2,306,104	2,306,114

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

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 29 MARCH 2020

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.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

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

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

2.3 NEW STANDARDS, AMENDMENTS AND IFRIC INTERPRETATIONS

IFRS 16, 'Leases' is a new accounting standard effective for the year ended 29 March 2020 and has had no material impact on the company. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 29 March 2020 that have had a material impact on the company.

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

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.4 GOING CONCERN

The company remains profit making and has positive net current assets but Covid-19 has impacted forecast expectations for 2020/21 and 2021/22. The expectation is that the nature of the business limits the potential impact, but that in the short term it will impact negatively on trading and as such results for 2020/21 and 2021/22 are expected to be below that reported for the 2019/20 financial year. The company has been able to claim furlough and receive other funding provided by the Government to help support businesses impacted by Covid-19, which has enabled it to mitigate some of the impact.

The entity operates as part of a wider group and as such the directors have received confirmation from Norse Group Limited that it will provide, for a period of at least 12 months from the date of signing these financial statements, such financial support as is necessary to allow the company to meet its liabilities as they fall due. 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.

2.5 REVENUE

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

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

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

2.6 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost represents materials, direct labour and overheads incurred in bringing inventories to their present condition and location. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision is made for obsolete, slow moving or defective items where appropriate.

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.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

2. ACCOUNTING POLICIES (CONTINUED)

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.

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

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

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

2.8 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.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.9 FINANCIAL INSTRUMENTS (continued)

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 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.

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

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

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

2. ACCOUNTING POLICIES (CONTINUED)

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 profit or loss 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.

2.12 CURRENT AND DEFERRED TAXATION

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the 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.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

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.

	2020 £	2019 £
Gross revenue	10,723,652	10,141,239
Rebates	(300,000)	(301,264)
Net revenue	10,423,652	9,839,975

	2020 £	2019 £
Revenue by service		
Cleaning	465,143	537,160
Grounds	2,101,147	1,584,576
Facilities management	1,628,500	1,859,126
Security	564,023	544,069
Waste and environmental	5,664,839	5,315,044
Total revenue	10,423,652	9,839,975

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

5. OPERATING PROFIT

The operating profit is stated after charging:

	2020 £	2019 £
(Reversal of impairment)/Impairment of trade receivables	(15,833)	10,500
Cost of inventories recognised as an expense	1,383,027	1,172,983
	<u>1,383,027</u>	<u>1,172,983</u>

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:

	2020 £	2019 £
Fees payable to the company's auditors and its associates for the audit of the company's annual financial statements	15,000	8,500
	<u>15,000</u>	<u>8,500</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.

7. EMPLOYEES

	2020 £	2019 £
Wages and salaries	4,335,235	4,061,784
Social security costs	372,034	336,729
Other pension costs	379,894	360,549
	<u>5,087,163</u>	<u>4,759,062</u>

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

	2020 No.	2019 No.
Operational staff	201	208
Administrative staff	25	26
	<u>226</u>	<u>234</u>

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2020

8. DIRECTORS' REMUNERATION

	2020 £	2019 £
Directors' emoluments	3,734	57,747

During the year retirement benefits were accruing to no directors (2019 - one) in respect of defined benefit pension schemes.

The above disclosure excludes three directors (2019 - two) who received no remuneration for services provided by the company and four directors (2019 - two) who were paid by Norse Commercial Services Limited with no recharge.

9. TAX ON PROFIT

	2020 £	2019 £
CURRENT TAX		
UK corporation tax on profits for the year	27,089	47,925
Adjustments in respect of prior periods	(1,394)	(10,837)
TOTAL CURRENT TAX	25,695	37,088
DEFERRED TAX		
Origination and reversal of timing differences	2,980	11,229
Adjustments in respect of prior periods	(505)	2,146
Effect of tax rate change on opening balance	(2,793)	-
TOTAL DEFERRED TAX	(318)	13,375
TAX ON PROFIT	25,377	50,463

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2020

9. TAX ON PROFIT (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK for the year ended 29 March 2020 of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit before tax	158,170	301,263
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	30,052	57,240
EFFECTS OF:		
Expenses not deductible for tax purposes	17	1,914
Adjustments in respect of prior periods	(1,899)	(8,691)
Effect of tax rate change on opening balance	(2,793)	-
TOTAL TAX CHARGE FOR THE YEAR	25,377	50,463

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Changes to the UK corporation tax rates were substantively enacted on 17 March 2020 under a UK Budget resolution which has statutory effect under the provisions of the Provisional Collection of Taxes Act 1968. This resolution cancelled the previously enacted reduction to 17%, such that the UK corporation tax main rate applicable from 1 April 2020 remains at 19%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

10. INVENTORIES

	29 March 2020 £	31 March 2019 £
Raw materials and consumables	68,016	61,324
Work in progress	59,435	147,033
	127,451	208,357

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

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2020

11. TRADE AND OTHER RECEIVABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29 March 2020 £	31 March 2019 £
Trade receivables	381,394	212,522
Amounts owed by group undertakings	2,699,219	2,599,861
Other receivables	1,665	21,997
Prepayments and accrued income	34,245	69,952
Deferred taxation	24,063	23,745
	<u>3,140,586</u>	<u>2,928,077</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 (2019 - £Nil).

Trade receivables are stated after provisions for impairment of £4,704 (2019 - £15,589).

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

	29 March 2020 £	31 March 2019 £
Bank overdrafts	757	-
Trade payables	70,148	206,717
Amounts owed to group undertakings	-	4,872
Corporation tax	27,089	47,925
Other payables	919	2,005
Accruals and deferred income	863,312	888,173
	<u>962,225</u>	<u>1,149,692</u>

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

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2020

13. DEFERRED TAXATION

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

	2020 £	2019 £
At beginning of year	23,745	37,120
Credited/(charged) to the profit or loss	318	(13,375)
AT END OF YEAR	24,063	23,745

The deferred tax asset is made up as follows:

	29 March 2020 £	31 March 2019 £
Difference between capital allowances and depreciation	18,501	18,617
Other timing differences	5,562	5,128
AT END OF YEAR	24,063	23,745

14. CALLED UP SHARE CAPITAL

	2020 £	2019 £
Allotted, called up and fully paid		
199 (2019 - 199) Ordinary A shares of £0.01 each	2	2
801 (2019 - 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.

15. PROFIT AND LOSS ACCOUNT

Includes all current and prior period retained profits and losses..

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

16. CONTINGENT LIABILITIES

The company is part of the Norse Commercial Services group VAT registration and as such is jointly and severally liable for the VAT liability of the entire group. The group liability at the year end was £ 8,374,583 (2019 - £ 3,384,525).

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 West Northamptonshire Norse Limited (formerly Daventry Norse Limited). The indebtedness subject to this guarantee at the year end was £nil (2019 - £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.

17. PENSION COMMITMENTS

The pension cost represents contributions payable by the company to the scheme and amounted to £379,894 (2019 - £360,549). Outstanding contributions amounted to £nil (2019 - £nil) and are included within other payables.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 MARCH 2020

18. 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 East Suffolk Council.

	Year ended 29 March 2020 Sales £	Year ended 29 March 2020 Purchases £	29 March 2020 Receivables £	29 March 2020 Payables £
Norfolk County Council	3,701	(1,000)	-	-
Norse Commercial Services Limited	-	(494,230)	2,694,956	-
Great Yarmouth Norse Limited	-	(2,231)	-	-
GYB Services Limited	16,386	(2,390)	-	-
Norse Eastern Limited	4,701	(10,622)	507	-
Suffolk Norse Limited	44,473	-	3,756	-
East Suffolk Council	7,600,304	(1,813)	156,239	(334,241)

	Year ended 31 March 2019 Sales £	Year ended 31 March 2019 Purchases £	31 March 2019 Receivables £	31 March 2019 Payables £
Norfolk County Council	-	(2,500)	776	-
Norse Commercial Services Limited	-	(483,387)	2,599,085	-
NPS Property Consultants Limited	-	(143)	-	-
Eventguard Limited	-	(14,656)	-	-
Great Yarmouth Norse Limited	-	(9,371)	-	-
GYB Services Limited	-	(2,390)	-	-
Norse Eastern Limited	2,430	(6,010)	-	-
Norwich Norse (Environmental) Limited	-	(128)	-	(4,872)
Waveney District Council	6,931,113	(1,690)	92,117	(356,639)

WAVENEY NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 MARCH 2020**

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Norse Commercial Services Limited.

The smallest group to consolidate these financial statements is Norse Group Limited. 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.