

WAVENEY NORSE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 APRIL 2018

WEDNESDAY



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WAVENEY NORSE LIMITED

COMPANY INFORMATION

DIRECTORS	A J Merricks M T Emms A Jarvis K Blair D T Wetteland
COMPANY SECRETARY	H L Jones
REGISTERED NUMBER	06600996
REGISTERED OFFICE	Lancaster House 16 Central Avenue St Andrews Business Park Norwich Norfolk NR7 0HR
INDEPENDENT AUDITOR	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditor Abacus House Castle Park Cambridge Cambridgeshire CB3 0AN
BANKERS	Barclays Bank plc PO Box 885 Mortlock House Histon Cambridge CB24 9DE

WAVENEY NORSE LIMITED

CONTENTS

	Page(s)
Directors' Report	1 - 3
Independent Auditors' Report	4 - 5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 23

WAVENEY NORSE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 1 APRIL 2018

The directors present their report and the financial statements for the year ended 1 April 2018.

The financial statements are prepared to the closest Sunday to 31 March 2018. This represents 52 weeks of trading to 1 April 2018 (2017: 52 weeks of trading).

RESULTS

The profit for the year, after taxation, amounted to £306,506 (2017 - £283,969).

DIRECTORS

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

A J Merricks
M T Emms
A Jarvis
K Blair
D T Wetteland (appointed 10 April 2017)

QUALIFYING THIRD PARTY INDEMNITY INSURANCE

The company maintains liability insurance for its directors and officers. The directors and officers have also been granted a qualifying third party indemnity provision under section 234 of the Companies Act 2006 which is in force 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.

EMPLOYEE INVOLVEMENT

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

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.

WAVENEY NORSE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 1 APRIL 2018

GOING CONCERN

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

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

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 they are aware, there is no relevant audit information of which the company's auditor are unaware, and
- they have taken all the steps that they 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.

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

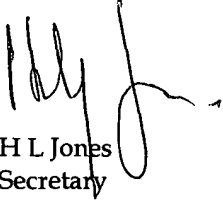
WAVENEY NORSE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 1 APRIL 2018**

SMALL COMPANY EXEMPTION

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

This report was approved by the board and signed by order of the board:



H L Jones
Secretary

Date: 9 August 2018

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 1 April 2018 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 1 April 2018; the statement of comprehensive income and 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

We have nothing to report in respect of the following matters in relation to which 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.

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.

Independent auditors' report to the members of Waveney Norse Limited (continued)

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 1 April 2018 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: 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.



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

9 August 2018

WAVENEY NORSE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 1 APRIL 2018**

	Note	2018 £	2017 £
Revenue	4	9,085,241	8,776,627
Cost of sales		(6,926,651)	(6,770,320)
GROSS PROFIT		<u>2,158,590</u>	<u>2,006,307</u>
Administrative expenses		(1,790,193)	(1,629,205)
OPERATING PROFIT		<u>368,397</u>	<u>377,102</u>
Income tax expense	8	(61,891)	(93,133)
PROFIT FOR THE FINANCIAL YEAR		<u><u>306,506</u></u>	<u><u>283,969</u></u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>306,506</u></u>	<u><u>283,969</u></u>

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

WAVENEY NORSE LIMITED
REGISTERED NUMBER: 06600996

STATEMENT OF FINANCIAL POSITION
AS AT 1 APRIL 2018

	Note	1 April 2018 £	2 April 2017 £
CURRENT ASSETS			
Inventories	9	313,837	66,467
Trade and other receivables	10	2,664,489	3,727,000
Cash and cash equivalents	11	4,611	4,443
		<u>2,982,937</u>	<u>3,797,910</u>
Trade and other payables	12	(1,060,416)	(2,181,895)
NET CURRENT ASSETS		<u>1,922,521</u>	<u>1,616,015</u>
NET ASSETS		<u><u>1,922,521</u></u>	<u><u>1,616,015</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	10	10
Retained earnings	15	1,922,511	1,616,005
		<u><u>1,922,521</u></u>	<u><u>1,616,015</u></u>

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



D T Wetteland
Director

Date: 9 August 2018

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

WAVENEY NORSE LIMITED

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

	Called up share capital	Retained earnings	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

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

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

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 1 APRIL 2018

1. GENERAL INFORMATION

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

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

1.1 Restatement

The Directors have reviewed the accounting for operating leases and have identified that a number of leases previously treated as a commitment by the company are held by a fellow group undertaking. As a consequence the disclosure of any related operating lease commitment has been removed from the financial statements. There is nil impact on profit or reserves.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in 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 1 APRIL 2018

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
- Paragraphs 91-99 of IFRS 13, 'Fair value measurement' (disclosures of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - Paragraph 79(a)(iv) of IAS 1;
 - Paragraph 73(e) of IAS 16 Property, plant and equipment;
 - Paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- The requirement of IAS 7 Statement of Cash Flows
- The requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures and Key Management Compensation.
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

2.3 New standards, amendments and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 1 April 2018 have had a material impact on the company.

2.4 Going concern

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

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 APRIL 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Revenue

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

Rendering of services

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

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

2.6 Dividend distribution policy

Final dividends to the company's shareholders are recognised as a liability in the period in which the dividends are approved by the company's shareholders. Interim dividends are recognised when paid.

2.7 Operating leases: the company as lessee

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

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

Associated costs, such as maintenance and insurance, are expensed as incurred.

2.8 Inventories

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

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

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 APRIL 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.9 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.

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

2.10 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.

2.11 Financial instruments

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

Financial assets

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

Loans and receivables

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

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

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 APRIL 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.11 Financial instruments (continued)

Financial liabilities

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

At amortised cost

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

2.12 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.

2.13 Pensions

Defined benefit pension plan

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

Defined contribution pension plan

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

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

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 APRIL 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.14 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 liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates, and interests in jointly controlled entities, except where the company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date.

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.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 APRIL 2018

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 judgments about the carrying value of assets and liabilities that are not readily available from other sources.

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

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

Impairment of trade receivables

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

4. REVENUE

All turnover arose within the United Kingdom.

	2018 £	2017 £
Revenue by service		
Cleaning	477,225	302,279
Grounds	1,618,390	1,560,609
Facilities management	1,537,115	1,901,584
Security	545,380	539,407
Waste and environmental	4,907,131	4,472,748
Total revenue	9,085,241	8,776,627

WAVENEY NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 APRIL 2018**

5. AUDITORS' REMUNERATION

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

	2018 £	2017 £
Fees for the audit of the company	6,850	6,710

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.

6. EMPLOYEES

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

	2018 £	2017 £
Wages and salaries	3,881,825	3,639,007
Social security costs	324,119	288,056
Other pension costs	360,632	423,766
	<u>4,566,576</u>	<u>4,350,829</u>

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

	2018 No.	2017 No.
Operational staff	206	193
Administrative staff	26	15
	<u>232</u>	<u>208</u>

WAVENEY NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 APRIL 2018**

7. DIRECTORS' REMUNERATION

	2018	2017
	£	£
Directors' emoluments	33,214	29,957

During the year retirement benefits were accruing to 1 director (2017 - 1) 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.

8. INCOME TAX

	2018	2017
	£	£
CORPORATION TAX		
UK corporation tax on profits for the year	80,934	88,908
Adjustments in respect of previous periods	(1,701)	10,600
TOTAL CURRENT TAX	79,233	99,508
DEFERRED TAX		
Origination and reversal of timing differences	(17,342)	(7,120)
Changes to tax rates	-	745
TOTAL DEFERRED TAX	(17,342)	(6,375)
TAX ON PROFIT	61,891	93,133

WAVENEY NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 APRIL 2018**

8. INCOME TAX (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR/PERIOD

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK for the year ended 1 April 2018 of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit before tax	368,397	377,102
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	69,995	75,420
EFFECTS OF:		
Expenses not deductible for tax purposes	(6,403)	7,113
Adjustments in respect of previous periods	(1,701)	10,600
TAX CHARGE	61,891	93,133

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2017 (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.

9. INVENTORIES

	1 April 2018 £	2 April 2017 £
Raw materials and consumables	68,926	37,397
Work in progress	244,911	29,070
	313,837	66,467

Inventory recognised in cost of sales during the year as an expense was £515,652 (2017: £458,981).

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 APRIL 2018

10. TRADE AND OTHER RECEIVABLES

	1 April 2018 £	2 April 2017 £
Trade debtors	458,223	1,057,013
Amounts owed by group undertakings	2,082,723	2,510,180
Other receivables	3,301	100,243
Prepayments and accrued income	83,122	39,786
Deferred taxation (note 13)	37,120	19,778
	<u>2,664,489</u>	<u>3,727,000</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 (2017: £Nil).

Trade receivables are stated after provisions for impairment of £6,767 (2017: £7,528).

11. CASH AND CASH EQUIVALENTS

	1 April 2018 £	2 April 2017 £
Cash at bank and in hand	<u>4,611</u>	<u>4,443</u>

12. Trade and other payables

	1 April 2018 £	2 April 2017 £
Trade payables	282,815	196,151
Amounts owed to group undertakings	15,623	20,500
Corporation tax	80,934	88,908
Other payables	459	459
Accruals and deferred income	680,585	1,875,877
	<u>1,060,416</u>	<u>2,181,895</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 1 APRIL 2018

13. DEFERRED TAXATION

	Deferred tax £
At 3 April 2017	19,778
Charged to the profit or loss	17,342
	-
AT 1 APRIL 2018	37,120

The deferred tax asset is made up as follows:

	1 April 2018 £	2 April 2017 £
Difference between capital allowances and depreciation	26,590	1,570
Other timing differences	10,530	18,208
	<u>37,120</u>	<u>19,778</u>

Deferred tax is provided for at 17% (2017: 17%) in these financial statements.

14. CALLED UP SHARE CAPITAL

	1 April 2018 £	2 April 2017 £
Allotted, called up and fully paid		
199 (2017: 199) Ordinary A shares of £0.01 each	2	2
801 (2017: 801) Ordinary B shares of £0.01 each	8	8
	<u>10</u>	<u>10</u>

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

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 APRIL 2018

15. RESERVES

Retained earnings

Includes all current and prior year retained profits and losses.

16. CONTINGENT LIABILITIES

The company is part of a group VAT registration and as such is jointly and severally liable for the VAT liability of the entire group. The group liability at the year end was £2,245,484 (2017: £2,311,320).

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

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

17. PENSION COMMITMENTS

The pension cost represents contributions payable by the company to the scheme and amounted to £360,632 (2017: £423,766). Outstanding contributions amounted to £Nil (2017: £Nil) and are included within other creditors.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 APRIL 2018

18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions available under FRS 101 for paragraph 17 of IAS 24, whereby wholly owned group undertakings do not have to disclose intra-group transactions with other wholly owned members of the same group. The company had the following transactions and balances in the normal course of trade with related parties Norse Commercial Services Limited, the immediate parent undertaking, fellow subsidiaries of this Group, Norfolk County Council, the ultimate parent undertaking and Waveney District Council.

RELATED PARTY TRANSACTIONS

	Sales £	Purchases £	Debtors £	Creditors £
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 Limited	-	(28,548)	-	-
Norwich Norse Environmental Limited	-	(4,719)	-	(4,719)

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

WAVENEY NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 APRIL 2018**

19. 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.