

WAVENEY NORSE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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WAVENEY NORSE LIMITED

COMPANY INFORMATION

DIRECTORS	S J H Burroughes A Jarvis N P Maddox J F L C Galliford
REGISTERED NUMBER	06600996
REGISTERED OFFICE	280 Fifers Lane Norwich Norfolk NR6 6EQ
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors Maurice Wilkes Building Cowley Road Cambridge Cambridgeshire CB4 0DS
BANKERS	Barclays Bank Plc 5/7 Red Lion Street Norwich Norfolk NR1 3QH

WAVENEY NORSE LIMITED

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WAVENEY NORSE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the audited financial statements for the year ended 31 March 2022.

For the purposes of these financial statements the term 'year' represents the 368 days to 31 March 2022.

In previous years, the financial statements were prepared to the closest Sunday to 31 March 2021. This represents 52 weeks of trading and therefore the comparative figures are for the 364 days to 28 March 2021.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £291,997 (2021 - £241,032).

The directors have not proposed or paid any dividends during the financial year (2021 - *£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:

S J H Burroughes
A Jarvis
N P Maddox
J F L C Galliford (appointed 1 June 2021)
H R Forster (resigned 23 June 2022)
D T Wetteland (resigned 1 June 2021)

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.

GOING CONCERN

The directors have reviewed the company's forecasts and projections and taking account of reasonably possible changes in trading performance and the existence of the letter of support provided by the parent company, detailed below, believe that the company should be able to operate within the level of its current facilities.

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.

WAVENEY NORSE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law), 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 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.

DIRECTORS' CONFIRMATIONS

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

- 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 independent auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

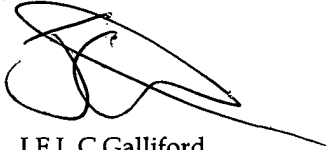
SMALL COMPANY EXEMPTION

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

WAVENEY NORSE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

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



J F L C Galliford
Director

Date: 20 December 2022

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 2022 and of its profit for the 368 day period (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 2022; 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2022 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, Health and safety at Work etc. Act 1974 and Employment legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to misstatement of financial information via inappropriate journal entries and/or management bias in key accounting estimates. Audit procedures performed by the engagement team included:

- Making enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations;
- Reviewing meetings of minutes during the year and up to date approval of the financial statements;

- Identifying and testing journals meeting specified criteria considered to be unusual or indicative of potential fraud;
- Evaluating management's controls designed to prevent and detect irregularities; and
- Testing the appropriateness of key estimates made by management to identify any deliberate misstatements in the financial statements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

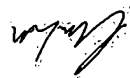
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained 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.



Claire Lake (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Cambridge

20 December 2022

WAVENEY NORSE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Revenue	4	10,214,962	9,833,005
Cost of sales		(8,111,484)	(7,756,107)
Gross profit		2,103,478	2,076,898
Administrative expenses		(1,772,187)	(1,774,903)
Operating profit	5	331,291	301,995
Interest payable and similar expenses	9	(219)	-
Profit before tax		331,072	301,995
Tax on profit	10	(39,075)	(60,963)
Profit for the financial year		291,997	241,032
Total comprehensive income for the year		291,997	241,032

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

The notes on pages 10 to 26 form part of these financial statements.

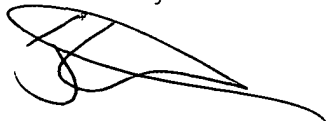
WAVENEY NORSE LIMITED
REGISTERED NUMBER:06600996

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	31 March 2022 £	28 March 2021 £
CURRENT ASSETS			
Inventories	11	45,940	27,722
Trade and other receivables: amounts falling due after more than one year	12	87,414	35,354
Trade and other receivables: amounts falling due within one year	12	446,457	3,194,763
Cash and cash equivalents		4,439,309	656,578
		<u>5,019,120</u>	<u>3,914,417</u>
Creditors: amounts falling due within one year	13	(2,179,977)	(1,367,271)
NET CURRENT ASSETS		<u>2,839,143</u>	<u>2,547,146</u>
NET ASSETS		<u>2,839,143</u>	<u>2,547,146</u>
CAPITAL AND RESERVES			
Called up share capital	15	10	10
Profit and loss account	16	2,839,133	2,547,136
TOTAL EQUITY		<u>2,839,143</u>	<u>2,547,146</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 7 to 26 were approved and authorised for issue by the board and were signed on its behalf by:



J F L C Galliford

Director

Date: 20 December 2022

The notes on pages 10 to 26 form an integral part of these financial statements.

WAVENEY NORSE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Profit and loss account £	Total equity £
At 29 March 2021	10	2,547,136	2,547,146
Comprehensive income for the year			
Profit for the financial year	-	291,997	291,997
Total comprehensive income for the year	-	291,997	291,997
At 31 March 2022	10	2,839,133	2,839,143

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 MARCH 2021**

	Called up share capital £	Profit and loss account £	Total equity £
At 30 March 2020	10	2,306,104	2,306,114
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the financial year	-	241,032	241,032
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	241,032	241,032
At 28 March 2021	10	2,547,136	2,547,146

The notes on pages 10 to 26 form part of these financial statements.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION

The company is a private company, limited by shares, incorporated and domiciled in the UK and registered at 280 Fifers Lane, Norwich, Norfolk, NR6 6EQ. The reporting period is from 29 March 2021 to 31 March 2022.

2. ACCOUNTING POLICIES

The principal 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.

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The financial statements are presented in pound sterling (£). All amounts in the financial statements and notes have been rounded to the nearest pound sterling, unless otherwise stated.

The company has intercompany rental agreements with Norse Commercial Services Limited, 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 31 MARCH 2022

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

This information is included in the consolidated financial statements of Norfolk County Council as at 31 March 2022 and these financial statements may be obtained from www.norfolk.gov.uk.

2.3 NEW STANDARDS, AMENDMENTS AND IFRIC INTERPRETATIONS

There are no new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 28 March 2021 that have material impact on the company's financial statements.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.4 GOING CONCERN

The directors have reviewed the company's forecasts and projections and taking account of reasonably possible changes in trading performance and the existence of the letter of support provided by the parent company, detailed below, believe that the company should be able to operate within the level of its current facilities.

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 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:

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 when the performance obligation in the contract/agreement has been satisfied over time. 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

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 31 MARCH 2022

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.

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.

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 the statement of comprehensive income

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 the statement of comprehensive income includes any dividend or interest earned on the financial asset.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.9 FINANCIAL INSTRUMENTS (continued)

Impairment of financial assets

The company always recognises lifetime 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 debtors, 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 the statement of comprehensive income

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 the statement of comprehensive income 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 CREDITORS

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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

Creditors 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 31 MARCH 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.11 CALLED UP SHARE CAPITAL

Ordinary shares are classified as equity.

2.12 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 East Suffolk 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.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.13 CURRENT AND DEFERRED TAXATION

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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 31 MARCH 2022

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

Impairment of financial assets

In respect of the impairment requirements relating to the accounting of the company's lifetime expected credit losses on trade receivables and amounts owed by group undertakings, management forms opinions on the credit risk relating to specific receivable balances at each reporting date.

In carrying out this assessment, management considers the company's historical credit loss experience, adjusted for factors that are specific to the receivable and both the current and forecasted general economic conditions.

To date, the company's historical credit loss experience has been low, however, the Covid-19 pandemic has raised the credit risk in the wider economy. Despite this, management considers that the majority of the trade receivables at the reporting date continue to have a low risk of credit loss. This is based on the fact that the company's trade is predominately carried out within the public sector.

Receivables due from other parties are considered separately and the company has made appropriate allowances arising from adverse economic conditions currently in existence.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. REVENUE

All turnover arose within the United Kingdom.

	2022 £	2021 £
Revenue by service		
Cleaning	519,013	473,034
Grounds	1,718,138	1,669,348
Facilities management	1,602,515	1,538,201
Security	584,598	577,155
Waste and environmental	5,790,698	5,575,267
Total revenue	10,214,962	9,833,005

5. OPERATING PROFIT AND PROFIT BEFORE TAX

The operating profit is stated after charging/ (crediting):

	2022 £	2021 £
Cost of stocks recognised as an expense	667,040	704,993
Impairment/ (reversal of impairment) of trade receivables	2,981	(1,534)

6. AUDITORS' REMUNERATION

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

	2022 £	2021 £
Fees payable to the company's auditors and its associates for the audit of the company's annual financial statements	16,538	15,750

WAVENEY NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. EMPLOYEES

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

	2022 £	2021 £
Wages and salaries	4,544,314	4,487,789
Social security costs	399,709	397,420
Other pension costs	343,190	371,697
	<u>5,287,213</u>	<u>5,256,906</u>

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

	2022 No.	2021 No.
Operational staff	191	207
Administrative staff	23	23
	<u>214</u>	<u>230</u>

8. DIRECTORS' REMUNERATION

	2022 £	2021 £
Directors' emoluments	32,130	34,189
	<u>32,130</u>	<u>34,189</u>

The above disclosure excludes two directors (2021 - *two*) who received no remuneration for services provided by the company.

Three directors (2021 - *three*) were paid by Norse Commercial Services Limited with no recharge. As they are directors of a number of fellow subsidiaries, it is not possible to make an accurate apportionment of the remuneration in respect of each of the subsidiaries. Accordingly, the above details include no remuneration of the four directors. One directors' total remuneration is included in the aggregate of the directors' remuneration, one directors' total remuneration is included in the aggregate of the key management personnel's remuneration and one directors' total remuneration is included in the aggregate of the employee cost total, which are disclosed in the financial statements of the parent company.

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 £	2021 £
Bank interest payable	219	-
	<u>219</u>	<u>-</u>

10. TAX ON PROFIT

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	88,936	68,870
Adjustments in respect of previous periods	2,199	3,384
Total current tax	<u>91,135</u>	<u>72,254</u>
Deferred tax		
Origination and reversal of timing differences	(35,847)	(8,641)
Changes to tax rates	(11,164)	-
Adjustments in respect of prior periods	(5,049)	(2,650)
Total deferred tax	<u>(52,060)</u>	<u>(11,291)</u>
Tax on profit	<u>39,075</u>	<u>60,963</u>

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

10. TAX ON PROFIT (CONTINUED)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit before tax	331,072	301,995
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	62,904	57,379
Effects of:		
Expenses not deductible for tax purposes	-	2,850
Adjustments to tax charge in respect of prior periods	(2,850)	734
Effect of changes in the tax rate	(20,979)	-
Total tax charge for the year/period	39,075	60,963

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

11. INVENTORIES

	31 March 2022 £	28 March 2021 £
Raw materials and consumables	45,940	27,722
	45,940	27,722

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

The directors consider that there is no significant difference between the replacement cost of raw materials and consumables and work in progress and their carrying amounts.

WAVENEY NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. TRADE AND OTHER RECEIVABLES

	31 March 2022 £	<i>28 March 2021 £</i>
Due after more than one year		
Deferred tax asset	87,414	35,354
	<u>87,414</u>	<u>35,354</u>
	31 March 2022 £	<i>28 March 2021 £</i>
Due within one year		
Trade debtors	380,362	188,002
Amounts owed by group undertakings	791	2,960,986
Other debtors	-	1,423
Prepayments and accrued income	65,304	44,352
	<u>446,457</u>	<u>3,194,763</u>

Trade receivables are stated after provisions for impairment of £6,151 (2021 - £3,170).

13. CREDITORS: Amounts falling due within one year

	31 March 2022 £	<i>28 March 2021 £</i>
Trade creditors	202,265	399,702
Amounts owed to group undertakings	819,171	-
Corporation tax	88,936	68,870
Other taxation and social security	3,214	5,177
Other creditors	17,907	499
Accruals and deferred income	1,048,484	893,023
	<u>2,179,977</u>	<u>1,367,271</u>

WAVENEY NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. DEFERRED TAXATION

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

	2022 £	2021 £
At beginning of year	35,354	24,063
Credited to the profit or loss	52,060	11,291
At end of year	<u>87,414</u>	<u>35,354</u>

The deferred tax asset is made up as follows:

	31 March 2022 £	28 March 2021 £
Accelerated capital allowances	72,721	29,236
Other timing differences	14,693	6,118
	<u>87,414</u>	<u>35,354</u>

There are no unused tax losses or unused tax credits.

15. CALLED UP SHARE CAPITAL

	2022 £	2021 £
Allotted, called up and fully paid		
199 (2021 - 199) Ordinary A shares of £0.01 each	2	2
801 (2021 - 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 East Suffolk 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 31 MARCH 2022

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 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 £7,994,713 (2021 - £6,928,608).

A cross guarantee in favour of Barclays Bank plc is in place between Waveney Norse Limited and the following group companies: Norse South West Limited, Enfield Norse Limited, Great Yarmouth Norse Limited, GYB Services Limited, Medway Norse Limited, Medway Norse Transport, Newport Norse Limited, Norse Commercial Services Limited, Norse Eastern Limited, Norse Transport, Suffolk Coastal Norse Limited, Suffolk Norse Limited, Wellingborough Norse Limited, Norse South East Limited, West Northamptonshire Norse Limited, Amber Valley Norse Limited and Uttlesford Norse Services Limited. The indebtedness subject to this guarantee at the year end was £nil (2021 - £nil).

The nature of the company'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.

18. PENSION COMMITMENTS

The pension cost represents contributions payable by the company to the scheme and amounted to £343,190 (2021 - £371,697). Outstanding contributions amounted to £nil (2021 - £nil) and are included within other payables.

WAVENEY NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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 East Suffolk Council, the minority shareholder.

	Year ended 28 March 2022	Year ended 28 March 2022	28 March 2022	28 March 2022
	Sales	Purchases	Receivables	Payables
	£	£	£	£
Norfolk County Council	2,900	124,253	791	-
Norse Commercial Services Limited	-	-	-	(819,171)
Norse Eastern Limited	743	(10,738)	-	-
East Suffolk Council	8,401,971	(14,000)	193,778	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	Year ended 28 March 2021	Year ended 28 March 2021	28 March 2021	28 March 2021
	Sales	Purchases	Receivables	Payables
	£	£	£	£
Norfolk County Council	1,316	-	-	-
Norse Commercial Services Limited	-	(416,995)	2,960,986	-
GYB Services Limited	-	(2,390)	-	-
Norse Eastern Limited	5,225	(3,558)	-	-
Suffolk Norse Limited	26,384	-	-	-
East Suffolk Council	7,981,920	(1,433)	-	(629,162)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

See note 8 for disclosure of the directors' remuneration.

WAVENEY NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

20. 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.