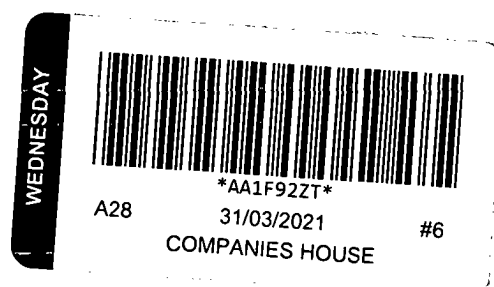


Registered number: 08554362

BEATTIE PASSIVE NORSE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



BEATTIE PASSIVE NORSE LIMITED

COMPANY INFORMATION

Directors

R P Beattie
R C Gawthorpe
M J Ventham

Registered number

08554362

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
5/7 Red Lion Street
Norwich
Norfolk
NR1 3QH

BEATTIE PASSIVE NORSE LIMITED

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BEATTIE PASSIVE NORSE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the audited financial statements for the year ended 31 March 2020.

Results

The loss for the year, after taxation, amounted to £1,510 (2019 *(restated)* - loss £437,824).

The net liabilities of the company as at 31 March 2020 are £4,902,828 (2019 *(restated)* - net liabilities of £4,901,318).

Directors

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

R P Beattie
R C Gawthorpe
M J Ventham

Qualifying third party indemnity insurance

The company has maintained liability insurance for its directors and officers throughout the period and up to the date of signing the financial statements. 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 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

Norse Group Limited, the joint majority shareholder by virtue of its ownership of 100% of the share capital of NPS Property Consultants Limited, has confirmed that it will continue to provide any financial support required for a period of at least twelve months from the date of signing the financial statements. As a consequence, notwithstanding the net liability position at the year end, 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.

The company has completed its final contract and as such management are currently considering options for the company.

BEATTIE PASSIVE NORSE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Directors' responsibilities statement

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' confirmations

In the case of each director at the date the directors' report is approved:

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

Independent auditors

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

BEATTIE PASSIVE NORSE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Small companies exemption

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

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



R C Gawthorpe

Director

Date: 30/03/21

Independent auditors' report to the members of Beattie Passive Norse Limited

Report on the audit of the financial statements

Opinion

In our opinion, Beattie Passive Norse Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 2020; the statement of comprehensive income for the year ended 31 March 2020, the statement of changes in equity for the year ended 31 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 31 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
30 March 2021

BEATTIE PASSIVE NORSE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

| | Note | 2020 £ | 2020 £ | As restated 2019 £ | As restated 2019 £ |
|--|------|-----------|----------------|--------------------------|--------------------------|
| Cost of sales | | | - | | (18,136) |
| Result/(gross loss) | | | - | | (18,136) |
| Exceptional expenses | 4 | - | | (384,092) | |
| Other administrative expenses | | (1,003) | | (32,240) | |
| Total administrative expenses | | | (1,003) | | (416,332) |
| Operating loss | | | (1,003) | | (434,468) |
| Interest payable and similar expenses | 7 | | (507) | | (3,356) |
| Loss before tax | | | (1,510) | | (437,824) |
| Loss and total comprehensive expense for the financial year | | | <u>(1,510)</u> | | <u>(437,824)</u> |

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 (restated): ENIL).

The notes on pages 9 to 18 form an integral part of these financial statements.

BEATTIE PASSIVE NORSE LIMITED
REGISTERED NUMBER: 08554362

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

| | Note | 2020 £ | As restated 2019 £ |
|--|------|--------------------|--------------------------|
| Current assets | | | |
| Debtors: amounts falling due within one year | 9 | 26,452 | 26,352 |
| | | <u>26,452</u> | <u>26,352</u> |
| Creditors: amounts falling due within one year | 10 | (4,929,280) | (4,927,670) |
| | | <u>(4,902,828)</u> | <u>(4,901,318)</u> |
| Net current liabilities | | <u>(4,902,828)</u> | <u>(4,901,318)</u> |
| Total assets less current liabilities | | <u>(4,902,828)</u> | <u>(4,901,318)</u> |
| Net liabilities | | <u>(4,902,828)</u> | <u>(4,901,318)</u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 2 | 2 |
| Profit and loss account | 12 | (4,902,830) | (4,901,320) |
| | | <u>(4,902,828)</u> | <u>(4,901,318)</u> |
| Total equity | | <u>(4,902,828)</u> | <u>(4,901,318)</u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The notes on pages 9 to 18 form an integral part of these financial statements.

The financial statements on pages 6 to 18 were approved and authorised for issue by the board and were signed on its behalf by:



R C Gawthorpe
 Director

Date: 30/03/21

BEATTIE PASSIVE NORSE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

| | Called up share capital | Profit and loss account | Total equity |
|---|----------------------------|----------------------------|--------------------|
| | £ | £ | £ |
| At 1 April 2019 (as restated) | 2 | (4,901,320) | (4,901,318) |
| Comprehensive expense for the year | | | |
| Loss for the year | - | (1,510) | (1,510) |
| Total comprehensive expense for the year | - | (1,510) | (1,510) |
| At 31 March 2020 | 2 | (4,902,830) | (4,902,828) |

The notes on pages 9 to 18 form part of these financial statements.

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

| | Called up share capital | Profit and loss account | Total equity |
|---|----------------------------|----------------------------|--------------------|
| | £ | £ | £ |
| At 1 April 2018 (as previously stated) | 2 | (4,589,441) | (4,589,439) |
| Impact of restatement | - | 125,945 | 125,945 |
| At 1 April 2018 (as restated) | 2 | (4,463,496) | (4,463,494) |
| Comprehensive expense for the year | | | |
| Loss for the year (as restated) | - | (437,824) | (437,824) |
| Total comprehensive expense for the year | - | (437,824) | (437,824) |
| At 31 March 2019 (as restated) | 2 | (4,901,320) | (4,901,318) |

The notes on pages 9 to 18 form part of these financial statements.

BEATTIE PASSIVE NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 1 April 2019 to 31 March 2020.

The principal activity of the company was previously that of construction of energy efficient buildings. The company has completed its final contract and management are currently considering options for the company.

2. Accounting policies

2.1 Statement of compliance

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

Basis of accounting

These financial statements are prepared on a going concern basis under the historical cost convention. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The company has not prepared and presented a statement of cashflows under the exemption available to small companies.

The preparation of financial statements in conformity with FRS 102 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 financial statements are presented in pound sterling (£).

BEATTIE PASSIVE NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.2 Prior year restatements

Amounts recoverable on long-term contracts:

The Directors have reviewed the accounting treatment of one of the company's contracts and have identified that certain amounts recognised as assets as at 31 March 2018 and 31 March 2019 were not recoverable based on information available at the date the estimates were made.

The impact of these adjustments is an increase in cumulative losses in the profit and loss account reserve as at 1 April 2018 of £115,347, a reduction in amounts recoverable on long-term contracts of £288,392 as at 31 March 2019 (£95,129 at 1 April 2018), an increase in amounts owed to group undertakings of £3,316 as at 1 April 2018 and 31 March 2019 and a reduction in trade debtors of £16,902 as at 1 April 2018 and 31 March 2019. The impact to the statement of comprehensive income for the year ended 31 March 2019 of £193,263 has been classified as exceptional expenses due the nature of the expense.

Revenue:

The Directors have reconsidered the classification of certain amounts included in revenue within the statement of comprehensive income for the year ended 31 March 2019 relating to the reversal of prior period balances. As a result, a debit balance of £190,829 has been reclassified from revenue to exceptional expenses to appropriately reflect the nature of the expense. The impact is an increase in revenue of £190,829 and an increase in exceptional expenses of £190,829, with no impact on profit and loss account reserves.

Other debtors:

The directors have also reviewed the recoverability of deposits previously impaired and have identified that the impairment was made in error. In addition, the cash received in respect of the deposits in the year ended 31 March 2019 was recognised in cost of sales in error. The impact is an reduction in the profit and loss account reserve as at 1 April 2018 of £6,000, an increase in other debtors of £1,500 as at 31 March 2019 (£6,000 at 1 April 2018) and as a result of a previous erroneous entry, an increase in costs of sales of £4,500 for the year ended 31 March 2019.

Accruals and deferred income:

The Directors have reviewed the accounting treatment in respect of the onerous contract provision recognised as at 1 April 2018 and 31 March 2019 and have identified amounts which were incorrectly recognised following the completion of the contract. The Directors believe that based on the information available at the date of signing the financial statements for the year ended 31 March 2018 and 31 March 2019, the remaining liability in respect of the ongoing contract is £70,962 relating to a retention owed to the sub-contractor. The impact is an increase in administrative expenses for the year ended 31 March 2019 of £239,302 to reduce a previous credit balance, a reduction in accruals and deferred income as at 31 March 2019 of £3,412 (£242,714 at 1 April 2018) and a reduction in the cumulative losses in the profit and loss account reserve as at 1 April 2018 of £242,714.

In addition, the directors have identified liabilities which have not been recognised in the financial statements in the correct financial year. The impact is an increase in cumulative losses in the the profit and loss account reserve of £7,421 as at 1 April 2018, an increase in trade creditors of £8,717 as at 1 April 2018 and 31 March 2019, an increase in other debtors of £1,296 as at 1 April 2018 and 31 March 2019, an increase in amounts owed to group undertakings of £758 as at 31 March 2019 and an increase in administrative expenses of £758 for the year ended 31 March 2019.

BEATTIE PASSIVE NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.2 Prior year restatements (continued)

The overall impact of the above restatements for the year ended 31 March 2019 is a reduction in current assets of £275,220 (£104,735 at 1 April 2018), an increase in current liabilities of £9,379 (reduction of £230,681 at 1 April 2018), an increase in the loss and total comprehensive expense of £437,823 for the year ended 31 March 2019 and a reduction in cumulative losses in the profit and loss account reserve of £125,946 at 1 April 2018.

2.3 Going concern

Norse Group Limited, the joint majority shareholder by virtue of its ownership of 100% of the share capital of NPS Property Consultants Limited, has confirmed that it will continue to provide any financial support required for a period of at least twelve months from the date of signing the financial statements. As a consequence, notwithstanding the net liability position at the year end, 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.

The company has completed its final contract and management are currently considering options for the company.

BEATTIE PASSIVE NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

2.5 Interest payable and expenses

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Exceptional expenses

The company classifies certain one-off charges that have a material impact on the company's financial results as 'Exceptional expenses'. These are disclosed separately to provide further understanding of the financial performance of the company.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

BEATTIE PASSIVE NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.8 Creditors

Short term creditors are measured at the transaction price.

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

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.

Financial liabilities

The company classifies all of its financial liabilities as liabilities 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.

2.10 Called up share capital

Ordinary shares are classified as equity.

BEATTIE PASSIVE NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.11 Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the company financial statements.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

To be able to prepare the financial statements according to FRS 102, management must make estimates and assumptions that affect the asset and liability items and revenue and expense amounts recorded in the financial statements. These estimates are based on historic 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. Information about the significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Critical accounting estimates and judgements

Amounts recoverable on contracts

Amounts recoverable on contracts are recognised by reference to the proportion of work carried out and the profit included is calculated based on management judgement. The recoverability of the amounts included on the balance sheet at the year end is determined based on the contract documents in place, discussions with the customer and management judgement based on their experience of trading in the construction sector.

Accruals and deferred income

The liability for works completed not yet invoiced on contracts included on the balance sheet at the year end is determined based on the contract documents in place, discussions with sub-contractors and management judgement based on their experience of trading in the construction sector.

Recognition of losses in contracts

The assessment of the total costs to be incurred requires a degree of estimation. The largest component of total costs are the agreed subcontract sums, which have a low level of estimation uncertainty. However total costs may also include provisions for other costs, which require estimation in order to establish the appropriate amount to recognise. Any such assessments are determined by management based on their experience of trading in the construction sector.

BEATTIE PASSIVE NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. Operating loss

The operating loss is stated after charging:

| | 2020 | <i>As restated</i> 2019 |
|----------------------|------|----------------------------|
| | £ | £ |
| Exceptional expenses | - | 384,092 |

The restated prior year exceptional expenses relate to the write off of previously recognised revenue on a construction contract that was no longer considered recoverable. As noted in note 2.2, the restatement consists of a reclassification of a debit of £190,829 to revenue to appropriately reflect the nature of the expense and a £193,263 reversal of amounts recoverable on long-term contracts.

5. Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual financial statements totalled £15,000 (2019 - £8,670) and were borne by a fellow group company, Norse Commercial Services Limited without recharge.

6. Employees

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

| | 2020 | 2019 |
|-----------|------|------|
| | No. | No. |
| Directors | 3 | 3 |

The directors did not receive any remuneration (2019 - £Nil) during the year.

7. Interest payable and similar expenses

| | 2020 | 2019 |
|-----------------------|------|-------|
| | £ | £ |
| Bank interest payable | 507 | 3,356 |

BEATTIE PASSIVE NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Tax on loss

| | 2020 £ | As restated 2019 £ |
|---------------------------|-----------|--------------------------|
| Current tax | - | - |
| Total current tax | - | - |
| Deferred tax | - | - |
| Total deferred tax | - | - |
| Tax on loss | - | - |

Factors affecting tax charge for the year

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

| | 2020 £ | As restated 2019 £ |
|--|-----------|--------------------------|
| Loss before tax | (1,510) | (437,824) |
| Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%) | (287) | (83,187) |
| Effects of: | | |
| Unrelieved tax losses carried forward | 287 | 83,187 |
| Total tax charge for the year | - | - |

At the year end the company had carried forward tax losses of £4,901,142 (2019 *(restated)* - £4,899,632). The resulting deferred tax asset of £931,217 (2019 *(restated)* - £832,937) has not been recognised due to uncertainty as to its future recoverability.

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

BEATTIE PASSIVE NORSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. Debtors: amounts falling due within one year

| | 2020 £ | <i>As restated</i> 2019 £ |
|---------------|---------------|---------------------------------|
| Other debtors | 26,452 | 26,352 |
| | <u>26,452</u> | <u>26,352</u> |

As disclosed in note 2.2, Other debtors as at 31 March 2019 has been restated in these financial statements.

10. Creditors: amounts falling due within one year

| | 2020 £ | <i>As restated</i> 2019 £ |
|------------------------------------|------------------|---------------------------------|
| Bank overdrafts | - | 3,739,299 |
| Trade creditors | 9,323 | 8,718 |
| Amounts owed to group undertakings | 4,848,995 | 1,108,691 |
| Accruals and deferred income | 70,962 | 70,962 |
| | <u>4,929,280</u> | <u>4,927,670</u> |

As disclosed in note 2.2, Trade creditors, Amounts owed to group undertakings and Accruals and deferred income as at 31 March 2019 have been restated in these financial statements.

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

11. Called up share capital

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Authorised, allotted, called up and fully paid | | |
| 1 (2019 - 1) Ordinary A share of £1.00 | 1 | 1 |
| 1 (2019 - 1) Ordinary B share of £1.00 | 1 | 1 |
| | <u>2</u> | <u>2</u> |

BEATTIE PASSIVE NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

12. Profit and loss account

Includes all current and prior year retained profits and losses.

13. Contingent liabilities

A cross guarantee in favour of Barclays Bank plc is in place between Beattie Passive Norse Limited and the following Norse Group companies: NPS Property Consultants Limited, NPS NW Limited, NPS Humber Limited, NPS Barnsley Limited, NPS South West Limited, NPS Norwich Limited, NPS Leeds Limited, Norse Energy Limited, Norse Development Company Limited, International Aviation Academy- Norwich Limited, NPS Newport Limited, NPS Peterborough Limited, Hamson Barron Smith Limited, NPS Infinity Limited, NPS South East Limited and NPS London Limited. The indebtedness subject to this guarantee at the year end was *£nil (2019 (restated) - £nil)*.

14. Related party transactions

NPS Property Consultants Limited has advanced the company funds of £3,743,122 (2019 (restated) - repayment of funds totalling £4,110,200) and paid various expenses on behalf of the company totalling £2,818 (2019 (restated) - £53,691). At the year end a balance of £4,848,995 (2019 (restated) - £1,108,691) was owing to NPS Property Consultants Limited.

Norse Commercial Services Limited has borne the company's audit fee of £15,000 (2019 (restated) - £8,670 without recharge) for the year ended 31 March 2020.

15. Ultimate controlling party

Beattie Passive Norse Limited is jointly controlled by NPS Property Consultants Limited and Beattie Passive Build System Limited. In the opinion of the directors there is no ultimate controlling party.