

**NWES PROPERTY SERVICES LIMITED**

**Financial statements**

**Information for filing with the registrar**

**For the Year Ended 31 March 2020**

**NWES PROPERTY SERVICES LIMITED**  
Registered number: 05361073

**Balance Sheet**  
**As at 31 March 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	4	62,390	146,334
Investment property	5	3,050,000	5,385,000
		<u>3,112,390</u>	<u>5,531,334</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	6	314,886	392,000
Debtors: amounts falling due within one year	6	479,067	535,746
Cash at bank and in hand	7	280,335	441,406
		<u>1,074,288</u>	<u>1,369,152</u>
Creditors: amounts falling due within one year	8	(3,017,997)	(5,291,832)
<b>Net current liabilities</b>		<u>(1,943,709)</u>	<u>(3,922,680)</u>
<b>Total assets less current liabilities</b>		<u>1,168,681</u>	<u>1,608,654</u>
Creditors: amounts falling due after more than one year	9	(872,182)	(2,832,863)
<b>Net assets/(liabilities)</b>		<u><u>296,499</u></u>	<u><u>(1,224,209)</u></u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Revaluation reserve	11	-	460,000
Profit and loss account	11	296,498	(1,684,210)
		<u><u>296,499</u></u>	<u><u>(1,224,209)</u></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 financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 February 2021.

**L Connellan**  
Director

The notes on pages 2 to 15 form part of these financial statements.

## NWES PROPERTY SERVICES LIMITED

### Notes to the Financial Statements For the Year Ended 31 March 2020

#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

NWES Property Services Limited is a private company limited by shares and incorporated in the United Kingdom. The address of the registered office is given in the company information of these financial statements and this is also the place of business. The company's registration number is 05361073.

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 and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the company and have been rounded to the nearest £1.

The significant 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.

##### 1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Norfolk and Waveney Enterprise Services as at 31 March 2020 and these financial statements may be obtained from Rouen House, Rouen Road, Norwich, England, NR1 1RB.

## NWES PROPERTY SERVICES LIMITED

### Notes to the Financial Statements For the Year Ended 31 March 2020

#### 1. Accounting policies (continued)

##### 1.3 Going concern

The Directors believe the company's financial statements should be prepared on a going concern basis and have considered a period of twelve months from the date of approval of these financial statements.

Whilst the financial position of the company has improved on the prior year, the company continued to face demands on its working capital. Primarily, this was as a result of the company having advanced funds to its parent company to provide financial support in previous years, which has yet to be repaid. As reported in previous years, on the 30 November 2018 the company defaulted on its loan repayment of £2,750,000 to Borough Council of King's Lynn and West Norfolk (BCKLWN), in respect of funding received for the KLIC building held as one of the company's investment properties.

However, subsequent to the yearend two significant events have occurred.

The company reached settlement with BCKLWN and a longer-term repayment plan agreed for amounts due to be paid in monthly instalments over 5 1/2 years to April 2026. Amounts outstanding at the balance sheet date are £1.27m and are classified as amounts due within one year, as the repayment plan was not agreed until after the balance sheet date.

Secondly, on the 22nd February 2021 the company sold two of its investment properties for £1.225m, which after repayment of loans, has yielded significant working capital for the company.

Additionally, the company has not suffered any significant financial impact as a result of the ongoing pandemic but the Directors acknowledge that uncertainty remains for all businesses in the current climate.

The Directors have taken positive action to improve the demands on working capital and the overall financial position of the company has improved during the year and has continued to do so since the yearend. Having due regard to forecast trading activities, cash flow forecasts and the ongoing pandemic, the Directors have concluded that whilst uncertainty remains in respect of future trading in the current climate, the company can continue to adopt the going concern basis in preparing the financial statements.

##### 1.4 Revenue

Turnover principally consists of rental income, management charges and grant income.

Rental income and management charges are recognised on an accruals basis as to match the revenue earned to the period in which the services are provided.

Capital grant income is released in line with the terms and conditions of any grant or in the useful economic life of the asset to which the funding relates.

Revenue grants are recognised in the profit and loss so as to match them with the relevant expenditure for which they have been granted.

**Notes to the Financial Statements  
For the Year Ended 31 March 2020**

**1. Accounting policies (continued)**

**1.5 Leased assets: the Company as lessor**

Where assets leased to a third party give rights approximating to ownership (finance lease), the lessor recognises as a receivable an amount equal to the net investment in the lease i.e. the minimum lease payments receivable under the lease discounted at the interest rate implicit in the lease. This receivable is reduced as the lessee makes capital payments over the term of the lease.

A finance lease gives rise to two types of income: profit or loss equivalent to the profit or loss resulting from outright sale of the asset being leased, at normal selling prices, reflecting any applicable discounts, and finance income over the lease term.

**1.6 Leased assets: the Company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.7 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**1.8 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**1.9 Finance costs**

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.

**1.10 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**1.11 Pensions**

**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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Notes to the Financial Statements  
For the Year Ended 31 March 2020

1. Accounting policies (continued)

1.12 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet 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 Balance Sheet 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 balance sheet date.

1.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

1.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Short-term leasehold property	- over the lease term
Fixtures and fittings	- 25% straight line
Office equipment	- 25% straight line

1.15 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

1.16 Debtors

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.

## NWES PROPERTY SERVICES LIMITED

### Notes to the Financial Statements For the Year Ended 31 March 2020

#### 1. Accounting policies (continued)

##### 1.17 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.

##### 1.18 Creditors

Short term creditors 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.

##### 1.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**Notes to the Financial Statements  
For the Year Ended 31 March 2020**

**1. Accounting policies (continued)**

**1.20 Financial instruments**

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.



## **NWES PROPERTY SERVICES LIMITED**

### **Notes to the Financial Statements For the Year Ended 31 March 2020**

#### **2. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Management consider the following to be significant accounting estimates:

##### **Capital grant income recognition**

Capital grants are released in line with the terms attached to the grant agreements however management judgment is necessary to ensure an appropriate recognition period in the absence of explicit terms within the grant agreements.

##### **Investment property revaluation**

The company carries its investment property at fair value, with changes in fair value being recognised in the profit and loss account. The company has engaged an independent valuation specialist to determine the fair value for properties in the past couple of years.

##### **Financial instruments**

Fair values have been estimated at the amount the company would expect to pay over the term of the interest rate swap loan based on prevailing rates of interest.

#### **3. Employees**

The average monthly number of employees, including directors, during the year was 23 (2019 - 27).

NWES PROPERTY SERVICES LIMITED

Notes to the Financial Statements  
For the Year Ended 31 March 2020

4. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 April 2019	297,478	682,987	372,351	1,352,816
Additions	-	-	1,670	1,670
Disposals	(297,478)	(1,555)	-	(299,033)
At 31 March 2020	-	681,432	374,021	1,055,453
<b>Depreciation</b>				
At 1 April 2019	297,478	590,992	318,012	1,206,482
Charge for the year on owned assets	-	56,466	27,593	84,059
Disposals	(297,478)	-	-	(297,478)
At 31 March 2020	-	647,458	345,605	993,063
<b>Net book value</b>				
At 31 March 2020	-	33,974	28,416	62,390
<b>At 31 March 2019</b>	-	91,995	54,339	146,334

**NWES PROPERTY SERVICES LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 March 2020**

**5. Investment property**

	<b>Investment property £</b>
<b>Valuation</b>	
At 1 April 2019	5,385,000
Disposals	(1,875,000)
Surplus on revaluation	(460,000)
	<hr/>
<b>At 31 March 2020</b>	<b><u>3,050,000</u></b>

One freehold property has been disposed in the period at valuation of £1,875,000.

Two properties have been impaired by £460,000 to align with their combined post year end sales value of £1,225,000.

The final freehold property has been revalued in the year by Roche Chartered Surveyors but the valuation remains unchanged from the amount held in the prior year accounts. The valuations included within the accounts are the higher of either vacant possession or existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	<b>2020 £</b>	2019 £
Historic cost	2,433,626	7,366,789
	<hr/>	<hr/>
	<b><u>2,433,626</u></b>	<b><u>7,366,789</u></b>

**NWES PROPERTY SERVICES LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 March 2020**

**6. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>		
Other debtors	<b>314,886</b>	392,000
	<u><b>314,886</b></u>	<u>392,000</u>

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade debtors	<b>64,003</b>	124,301
Other debtors	<b>109,602</b>	102,592
Prepayments and accrued income	<b>270,377</b>	290,038
Deferred taxation	<b>35,085</b>	18,815
	<u><b>479,067</b></u>	<u>535,746</u>

**7. Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>280,335</b>	441,406
	<u><b>280,335</b></u>	<u>441,406</u>

Included within cash at bank and in hand are amounts of £125,053 (2019: £366,942) relating to monies administered by the client in respect of properties owned by third parties. An equal and opposite creditor is included within other creditors.

Omitted from cash and other creditors are amounts of £150,728 (2019: £206,190) in respect of monies held in a designated client account which is not under the direct control of NWES Property but the company has custody of that money. This has been transferred to the beneficial owner, in full, subsequent to the year-end.

**NWES PROPERTY SERVICES LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 March 2020**

**8. Creditors: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Debenture loans	-	2,750,000
Bank loans	<b>185,765</b>	185,765
Trade creditors	<b>461,272</b>	620,268
Amounts owed to group undertakings	<b>7,964</b>	-
Corporation tax	-	34,772
Other taxation and social security	<b>166,859</b>	91,337
Obligations under finance lease and hire purchase contracts	-	5,379
Other creditors	<b>1,940,261</b>	885,975
Accruals and deferred income	<b>255,876</b>	718,336
	<b><u>3,017,997</u></b>	<b><u>5,291,832</u></b>

The following liabilities were secured:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Debenture loans	-	2,750,000
Bank loans	<b>185,765</b>	185,765
Obligations under finance lease and hire purchase contracts	-	5,379
	<b><u>185,765</u></b>	<b><u>2,941,144</u></b>

Details of security provided:

Debenture loans and bank loans are secured by way of fixed charges over certain freehold investment properties.

Obligations under hire purchase contracts are secured against the assets to which they relate.

Certain amounts reported in other creditors have been renegotiated since the 31 March 2020 and are no longer all repayable within one year - see Note 16 to the financial statements.

**NWES PROPERTY SERVICES LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 March 2020**

**9. Creditors: Amounts falling due after more than one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>557,296</b>	743,061
Accruals and deferred income	<b>314,886</b>	2,089,802
	<u><b>872,182</b></u>	<u>2,832,863</u>

The following liabilities were secured:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>557,296</b>	743,061
	<u><b>557,296</b></u>	<u>743,061</u>

Details of security provided:

Obligations under hire purchase contracts are secured against the assets to which they relate.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deferred income to be released in over five years	-	83,544
	<u>-</u>	<u>83,544</u>

Deferred income to be released in over five years was in relation to a lease agreement with a tenant of Rouen House repayable over the lease term totalling £nil (2019: £83,544).

**NWES PROPERTY SERVICES LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 March 2020**

**10. Loans**

Analysis of the maturity of loans is given below:

	2020 £	2019 £
<b>Amounts falling due within one year</b>		
Bank loans	185,765	185,765
Debenture loans	-	2,750,000
	<u>185,765</u>	<u>2,935,765</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	185,766	185,766
	<u>185,766</u>	<u>185,766</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	371,530	557,295
	<u>371,530</u>	<u>557,295</u>
	<u><u>743,061</u></u>	<u><u>3,678,826</u></u>

**11. Reserves**

**Revaluation reserve**

This reserve includes investment property revaluation gains.

**Profit and loss account**

The profit and loss account represents cumulative profits and losses, net of dividends.

**12. Contingent liabilities**

The company has a guarantee relating to a performance bond with Harlow Council. The maximum value of the guarantee is £135,000 and no liability is expected to arise in respect of this.

**13. Pension commitments**

The company operates a defined contribution pension scheme for the benefit of employees who wish to make provisions for pensions. The pension cost charge in the year represents contributions payable by the company to the scheme and amounted to £14,360 (2019: £16,965).

Contributions totalling £7,347 (2019: £6,599) were payable to the scheme at the end of the year.

## NWES PROPERTY SERVICES LIMITED

### Notes to the Financial Statements For the Year Ended 31 March 2020

#### 14. Related party transactions

The company has taken advantage of the exemption under FRS 102 Section 1A to not disclose particulars of transactions with its parent and also in relation to key management personnel disclosure.

The following transactions occurred in the year and certain previously reported amounts in respect of comparative information have been restated.

##### **A company which is an associated undertaking of the parent company:**

NWES Property Services loaned monies to the company totalling £nil (2019: £38,106) at the year end. No interest accrued on these amounts which were provided against last year. An amount of £1,763 has been reversed from previous write offs.

##### **A company in which the directors have significant influence or control:**

The balance with this party remains at nil following prior year write off of debt after liquidation of the related company. There has been a reversal of prior year write off of £5,571 in the current year.

##### **A company in which the directors have significant influence or control:**

Rent and other recharges amounted to £303,017 (2019: £nil). There is a balance in other creditors totalling £88,849 (2019: £nil).

#### 15. Post balance sheet events

As reported in Note 1.3, in November 2020, the company reached settlement with the Borough Council of King's Lynn and West Norfolk in respect of the default on a loan between the two parties in November 2018. As of the balance sheet date, amounts were due on demand and therefore an amount of £1.27m has been classified as due within one year. However, the subsequent settlement reached includes a repayment plan over 5 1/2 years at approximately £20k per month and therefore amounts are no longer repayable on demand as long as payments are made without further default.

#### 16. Auditors' information

The auditors' report on the financial statements for the year ended 31 March 2020 was unqualified.

The audit report was signed on 26 February 2021 by Sarah Flear (Senior Statutory Auditor) on behalf of Smith Cooper Audit Limited.



This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.