

NWES PROPERTY SERVICES LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2022

NWES PROPERTY SERVICES LIMITED
REGISTERED NUMBER: 05361073

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	<i>As restated</i> 2021 £
Fixed assets			
Tangible assets	4	69,103	33,475
Investment property	5	1,825,000	1,825,000
		<hr/> 1,894,103	<hr/> 1,858,475
Current assets			
Debtors: amounts falling due after more than one year	6	160,657	237,772
Debtors: amounts falling due within one year	6	475,942	511,936
Cash at bank and in hand	7	781,407	750,914
		<hr/> 1,418,006	<hr/> 1,500,622
Creditors: amounts falling due within one year	8	(1,713,074)	(1,582,722)
		<hr/> (295,068)	<hr/> (82,100)
Net current liabilities			
		<hr/> 1,599,035	<hr/> 1,776,375
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	9	(844,208)	(1,120,334)
		<hr/> 754,827	<hr/> 656,041
Net assets			
Capital and reserves			
Called up share capital		1	1
Revaluation reserve	10	345,000	345,000
Profit and loss account	10	409,826	311,040
		<hr/> 754,827	<hr/> 656,041

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 20 December 2022.

L Connellan
Director

The notes on pages 3 to 13 form part of these financial statements.

NWES PROPERTY SERVICES LIMITED

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

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
As Restated At 1 April 2020	1	345,000	(48,502)	296,499
Comprehensive income for the year				
Profit for the year	-	-	359,542	359,542
	<hr/>	<hr/>	<hr/>	<hr/>
As Restated At 1 April 2021	1	345,000	311,040	656,041
Comprehensive income for the year				
Profit for the year	-	-	98,786	98,786
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	1	345,000	409,826	754,827

The notes on pages 3 to 13 form part of these financial statements.

NWES PROPERTY SERVICES LIMITED

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

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 principal 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

As permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Company, in preparing these financial statements has taken advantage of the disclosure exemptions relating to 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 2022 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 2022

1. Accounting policies (continued)

1.3 Going concern

In preparing the financial statements, the Directors have paid due regard to relevant forecast financial information, including cash flows, and factored in sensitivities and uncertainties affecting the Company.

As disclosed in note 12 to the financial statements the Company has a contingent liability in respect of a potential clawback of funding regarding an historic project. The Directors have carefully considered the matter, and it is clear from relevant documentation that the clawback is discretionary. The Company is corresponding with the funder, but the potential claim is at the very early stages of resolution and therefore any outcome cannot be reliably estimated at the time of the approval of the financial statements. As the clawback is discretionary, any liability is only possible and therefore has not been provided for but disclosed in the financial statements, in line with financial reporting standards.

NWES Property Services Limited has confirmed its willingness to support its parent Norfolk and Waveney Enterprise Services which at 31 March 2022 had net current liabilities. Due to the timing of outstanding funding, the Company's parent, Norfolk and Waveney Enterprise Services may require financial support to meet its liabilities as they fall due but cash requirements are forecast to be minimal.

As of 31 March 2022, the Company had net current liabilities but in October 2022 the Company repaid a significant outstanding creditor, following a re-mortgage of one of its properties. This secured additional working capital funding and restructured the company debt profile. Positive cash flows are forecast and with the current levels of cash reserves, the balance sheet of the Company has strengthened further since 31 March 2022.

The Company has also signified its willingness to provide financial support to NBV Enterprise Solutions Limited – a Company which has directors in common – to meet its liabilities as they fall due, and forecasted positive cash flow and reserves will be sufficient to enable that pledge to be honoured.

In the Directors' opinion, the Company is a going concern for a minimum of twelve months from the date of the approval of 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 2022

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 the 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 2022

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	- straight line over lease term
Fixtures and fittings	- 25% straight line
Office equipment	- 25% straight line

NWES PROPERTY SERVICES LIMITED

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

1. Accounting policies (continued)

1.15 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

1.16 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.

1.17 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.

1.18 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.

1.19 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.

1.20 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 2022

1. Accounting policies (continued)

1.21 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.

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

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.

3. Employees

The average monthly number of employees, including directors, during the year was 22 (2021 - 20).

4. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2021	-	498,077	335,456	833,533
Additions	27,831	35,257	2,486	65,574
Disposals	-	(484,198)	(275,535)	(759,733)
At 31 March 2022	27,831	49,136	62,407	139,374
Depreciation				
At 1 April 2021	-	492,143	307,915	800,058
Charge for the year on owned assets	6,405	8,225	15,316	29,946
Disposals	-	(484,198)	(275,535)	(759,733)
At 31 March 2022	6,405	16,170	47,696	70,271
Net book value				
At 31 March 2022	21,426	32,966	14,711	69,103
At 31 March 2021	-	5,934	27,541	33,475

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

5. Investment property

	Freehold investment property £
Valuation	
At 1 April 2021	1,825,000
	<hr/>
At 31 March 2022	1,825,000
	<hr/> <hr/>

The 2022 valuations were made by Brown & Co, on an open market value for 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:

	2022 £	2021 £
Historic cost	969,618	969,618
	<hr/>	<hr/>
	969,618	969,618
	<hr/> <hr/>	<hr/> <hr/>

6. Debtors

	2022 £	2021 £
Due after more than one year		
Other debtors	160,657	237,772
	<hr/>	<hr/>
	160,657	237,772
	<hr/> <hr/>	<hr/> <hr/>

	2022 £	2021 £
Due within one year		
Trade debtors	124,535	102,792
Other debtors	99,135	101,134
Prepayments and accrued income	224,860	282,362
Deferred taxation	27,412	25,648
	<hr/>	<hr/>
	475,942	511,936
	<hr/> <hr/>	<hr/> <hr/>

NWES PROPERTY SERVICES LIMITED

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

7. Cash and cash equivalents

	2022	<i>As restated</i> 2021
	£	£
Cash at bank and in hand	781,407	750,914
	<u>781,407</u>	<u>750,914</u>

Included within cash at bank and in hand are amounts of £429,624 (2021: £304,440) 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.

8. Creditors: Amounts falling due within one year

	2022	<i>As restated</i> 2021
	£	£
Trade creditors	391,347	128,338
Corporation tax	26,838	-
Other taxation and social security	67,938	240,087
Other creditors	1,025,069	984,918
Accruals and deferred income	201,882	229,379
	<u>1,713,074</u>	<u>1,582,722</u>

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

	2022	2021
	£	£
Other creditors	683,550	882,562
Accruals and deferred income	160,658	237,772
	<u>844,208</u>	<u>1,120,334</u>

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

	2022	2021
	£	£
Repayable by instalments	-	19,963
	<u>-</u>	<u>19,963</u>

These amounts held within other creditors are subject to interest at 5.25%.

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

10. 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.

11. Prior year adjustment

In the financial statements to 31 March 2020 an amount of £345,000 was incorrectly transferred from revaluation reserves to profit and loss reserves as a result of being treated as historic revaluations relating to properties disposed of in 31 March 2020. The £345,000 actually relates to a property still held and therefore has been reinstated to revaluation reserves in the current year.

In addition to the reserve transfer above, an adjustment has also been made to gross up within cash at bank and other creditors an amount of £187,936 relating to bank accounts administered by the client which were incorrectly omitted from the financial statements last year.

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.

There is a contingent liability of £125,000 relating to agreed rental property dilapidations costs which have been confirmed as a result of signing a new lease agreement after the year end.

The Company has a contingent liability in respect of a potential clawback of funding regarding an historic project. The Directors have carefully considered the matter, and it is clear from relevant documentation that the clawback is discretionary. The Company is corresponding with the funder, but the potential claim is at the very early stages of resolution and therefore any outcome cannot be reliably estimated at the time of the approval of the financial statements. Therefore, no provision has been made in the financial statements, in line with financial reporting standards nor any quantum disclosed.

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 £12,414 (2021: £9,638).

Contributions totalling £2,622 (2021: £2,441) 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 2022**

14. Commitments under operating leases

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	£	£
Not later than 1 year	595,031	590,831
Later than 1 year and not later than 5 years	1,221,979	1,801,488
	<u>1,817,010</u>	<u>2,392,319</u>

15. 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:

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

Rent and other recharges amounted to £404,202 (2021: £300,841). There is a balance in other creditors totalling £88,823 (2021: £44,425).

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

Recharge of insurance costs amounted to £5,872 (2021: £Nil) relating to the current year.

16. Auditors' information

The auditors' report on the financial statements for the year ended 31 March 2022 was unqualified.

The audit report was signed on 20 December 2022 by Sarah Flear (Senior Statutory Auditor) on behalf of PKF 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.