

Registered number: 07110108

JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

COMPANY INFORMATION

Directors	D M M Vermeer J S Fyfe
Registered number	07110108
Registered office	3rd Floor (South) 200 Aldersgate Street London EC1A 4HD
Independent auditor	Ryecroft Glenton Chartered Accountants and Statutory Auditors 32 Portland Terrace Newcastle upon Tyne NE2 1QP

JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

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JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Principal activity

The principal activities of Justice Support Services (Norfolk & Suffolk) Limited ("the Company") are the design, construction, financing, supply of certain services and maintenance of a number of Police Investigation Centres in accordance with the terms of an agreement with Norfolk and Suffolk Police Authorities. This agreement together with a loan facilities agreement, a construction contract, a facilities management contract and other related contracts were signed on 22 February 2010. The concession period runs up to 2041.

Business review

The Company continued to operate the Police Investigation Centres in Norfolk and Suffolk with the local police authorities.

The project continues to operate in line with the PFI concession and is expected to do so in the future.

Results and dividends

The profit for the year, after taxation, amounted to £2,942k (2020: £1,535k).

The Directors do not recommend the payment of a dividend (2020: £nil).

JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Directors

The Directors who served during the year and up to the signing of these financial statements were:

D M M Vermeer

J S Fyfe (appointed 1 March 2021)

R L J Deeley (resigned 1 March 2021)

Principal risks and uncertainties

The Company's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, credit risk and liquidity risk.

The Company's principal financial instruments comprise sterling cash and bank deposits, bank loans and shareholder loans together with trade debtors and trade creditors that arise directly from its operations. The main risks arising from the Company's financial instruments can be analysed as follows:

Liquidity risk

The use of a financial model mitigates liquidity risk by modelling expected cash flows throughout the life of the project. Funding requirements were assessed and arranged prior to commencement. Liquidity risk is low as cash flows are predictable and not prone to significant unexpected fluctuations.

Credit risk

The Company's principal financial assets are bank balances, cash, and trade debtors, which represent the Company's maximum exposure to credit risk in relation to financial assets. The Company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by use of a financial model which shows when payments should be received. Credit risk is low as the customer is a local authority and therefore government-backed.

Cash flow interest rate risk

Interest bearing assets comprise cash and bank deposits, all of which earn interest at a fixed rate. The Company's policy is to maintain other borrowings at fixed rates to fix the amount of future interest cash flows. The financial model dictates the overall level of borrowings and interest costs to limit any adverse effects on financial performance of the Company.

JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Going concern

The Directors are aware of the net liabilities of the Company as at 31 December 2021 which are a result of the refinance which took place during 2019 which resulted in the swap liability being settled. The Company is profitable and cash generating and per the financial modelling will continue to be so and meet liabilities as they fall due, with no support required from parent entities. It has been modelled that the net liability of the Company will be neutralised by 2032. There are long term loans in place (as outlined in note 13) which cannot be recalled in the short term and will be repaid in line with relevant loan agreements on set repayment dates. It is the Directors' opinion that the model provides confidence that the entity will continue to operate as a going concern.

The Directors are mindful of the potential impacts of Covid-19, and feel that, because of the tight controls over financing and the fixed agreements in place, the Company will continue to operate as expected. There have been no issues with payments with local authorities and relationships continue to be good.

The Directors also consider the biggest risk to going concern is the potential impacts of Covid-19 on the FM contractor's position. The credit and performance risk of the FM contract supplier is monitored on a regular basis to ensure that the services are delivered on a continuing timely basis to the appropriate standard.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing the annual report and accounts.

Disclosure of information to auditor

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

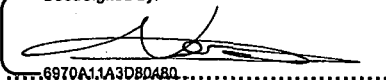
The auditors, Ryecroft Glenton, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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.

DocuSigned by:



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D M M Vermeer
Director

Date: 20 June 2022

JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

Opinion

We have audited the financial statements of Justice Support Services (Norfolk and Suffolk) Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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.

Auditor's 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 Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the infrastructure sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the, financial statements or the operations of the company, such as the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance, along with reviewing risk registers;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Grahame Maughan (Senior statutory auditor)
for and on behalf of

Ryecroft Glenton

Chartered Accountants and Statutory Auditors

32 Portland Terrace

Newcastle upon Tyne

NE2 1QP

20 June 2022

JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £000
Turnover		4,307	3,357
Cost of sales		(3,680)	(2,872)
Gross profit		<u>627</u>	<u>485</u>
Administrative expenses		(368)	(285)
Operating profit		<u>259</u>	<u>200</u>
Interest receivable and similar income	5	4,079	4,349
Interest payable and similar expenses	6	(2,340)	(2,508)
Profit before tax		<u>1,998</u>	<u>2,041</u>
Tax on profit/(loss)	7	944	(506)
Profit for the financial year		<u><u>2,942</u></u>	<u><u>1,535</u></u>

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 11 to 20 form part of these financial statements.

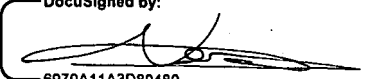
JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED
REGISTERED NUMBER: 07110108

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £000	As restated 2020 £000
Current assets			
Debtors: amounts falling due after more than one year	8	64,860	64,970
Debtors: amounts falling due within one year	8	1,758	1,745
Current asset investments	9	-	3,962
Cash at bank and in hand	10	4,219	1,666
		<u>70,837</u>	<u>72,343</u>
Creditors: amounts falling due within one year	11	(4,801)	(5,316)
Net current assets		<u>66,036</u>	<u>67,027</u>
Total assets less current liabilities		<u>66,036</u>	<u>67,027</u>
Creditors: amounts falling due after more than one year	12	(79,095)	(83,093)
Provisions for liabilities			
Lifecycle provisions	14	(1,633)	(1,568)
		<u>(1,633)</u>	<u>(1,568)</u>
Net liabilities		<u>(14,692)</u>	<u>(17,634)</u>
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account		(14,792)	(17,734)
		<u>(14,692)</u>	<u>(17,634)</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 were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

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D M M Vermeer
 Director

Date: 20 June 2022

The notes on pages 11 to 20 form part of these financial statements.

JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2021	100	(17,734)	(17,634)
Comprehensive income for the year			
Profit for the year	-	2,942	2,942
Total comprehensive income for the year	-	2,942	2,942
At 31 December 2021	100	(14,792)	(14,692)

The notes on pages 11 to 20 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2020	100	(19,269)	(19,169)
Comprehensive income for the year			
Profit for the year	-	1,535	1,535
Total comprehensive income for the year	-	1,535	1,535
At 31 December 2020	100	(17,734)	(17,634)

The notes on pages 11 to 20 form part of these financial statements.

JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Justice Support Services (Norfolk and Suffolk) Limited (the "Company") is a private limited company by shares and incorporated and domiciled in the UK. The Company's registered address is 3rd Floor (South), 200 Aldersgate Street, London, EC1A 4HD. The principal activities of Justice Support Services (Norfolk & Suffolk) Limited ("the Company") are the design, construction, financing, supply of certain services and maintenance of a number of Police Investigation Centres in accordance with the terms of an agreement with Norfolk and Suffolk Police Authorities.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements were prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The presentation currency of these financial statements is sterling and monetary amounts are rounded to the nearest £'000.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company did not retrospectively change its accounting under old UK GAAP for accounting estimates.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

2.2 Going concern

The Directors are aware of the net liabilities of the Company as at 31 December 2021 which are a result of the refinance which took place during 2019 which resulted in the swap liability being settled.

The Company is profitable and cash generating and per the financial modelling will continue to be so and meet liabilities as they fall due, with no support required from parent entities. It has been modelled that the net liability of the Company will be neutralised by 2032. There are long term loans in place (as outlined in note 13) which cannot be recalled in the short term and will be repaid in line with relevant loan agreements on set repayment dates. It is the Directors' opinion that the model provides confidence that the entity will continue to operate as a going concern.

The Directors are mindful of the potential impacts of Covid-19, and feel that, because of the tight controls over financing and the fixed agreements in place, the Company will continue to operate as expected. There have been no issues with payments with local authorities and relationships continue to be good.

The Directors also consider the biggest risk to going concern is the potential impacts of Covid-19 on the FM contractor's position. The credit and performance risk of the FM contract supplier is monitored on a regular basis to ensure that the services are delivered on a continuing timely basis to the appropriate standard.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopt the going concern basis in preparing the annual report and accounts.

JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.3 Revenue**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Income received in respect of the service concession is allocated between revenue and capital repayment of, and interest income on, the PFI finance debtor using the effective interest rate method. Service revenue is recognised as a margin on non-pass-through operating and maintenance costs.

2.4 Finance Debtor

The Company is an operator under a PFI contract. Under the terms of the contract, substantially all the risks and rewards of ownership of the property asset remain with Norfolk and Suffolk Police Authorities. The underlying asset is therefore treated not as a fixed asset of the Company.

During the construction phase of the project, all attributable expenditure including finance costs are included in amounts recoverable on contracts and turnover. Operating costs are added to the amounts recoverable on contract during the construction period. Upon the asset becoming operational, the costs are transferred to the finance debtor. During the operational phase, income is allocated between interest receivable and turnover using a constant operating margin on costs. Also during the operational phase, regular operating, maintenance costs and general overheads will be expensed to the profit and loss as incurred. The remainder of the PFI income will be allocated to the finance debtor.

2.5 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.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 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.

2.8 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.9 Current and deferred taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position 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 is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 Financial instruments

The Company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.11 Financial asset

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

Service concession

The Company is a special purpose entity that has been established to provide services under certain private finance agreements with Norfolk and Suffolk Police Authorities. Under the terms of these Agreements, the public sector customer (as grantor) controls the services to be provided by the Company over the contract term.

Based on the contractual arrangements the Company has classified the project as a service concession arrangement, and has accounted for the principal assets of, and income streams from, the project in accordance with FRS 102, Section 34.12 Service Concession Arrangements. The Company has chosen to adopt the transitional arrangements available within FRS 102, Section 35.10(i) and as such the service concession arrangement has continued to be accounted for using the same accounting policies being applied at the date of transition to FRS 102 (1 January 2015). The nature of the asset has therefore not changed.

Under the terms of the arrangement, the Company has the right to receive a baseline contractual payment stream for the provision of the services from or at the direction of the grantor, and as such the asset is accounted for as a finance debtor. The finance debtor has initially been recognised at the fair value of the consideration receivable, based on the fair value of the construction (or upgrade) services, plus any directly attributable transaction costs, provided in line with FRS 102.

Pursuant to section 23 of FRS 102, revenue associated with the finance debtor comprises service income related to facilities management, lifecycle maintenance and other administrative running costs of the Company.

2.12 Current asset investments

Current asset investments are amounts held in treasury accounts which pay a higher rate of interest. These amounts are placed on deposit for a period greater than 90 days.

2.13 Lifecycle provision

Provisions are made in respect of lifecycle maintenance to the extent that the Company is obliged to undertake maintenance in future periods.

JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial period are as follows:

Key sources of estimation uncertainty

Finance debtor interest rate - The finance debtor interest income is based on the weighted average cost of capital of the project and is applied to the carrying value of the finance debtor on a quarterly basis. The interest rate used is 6.49% (2020: 6.49%) per annum.

Service margin – revenue on facilities management and other operating costs is recognised at cost plus an estimated mark up.

4. Employees

The Company has no directly employed personnel (2020 - none). The Company is managed by secondees from a related party to the shareholders under a management services contract

None of the Directors have any retirement benefits or other remuneration accruing to them under pension schemes (2020 - none).

During the year, no Director received any emoluments (2020 - none).

5. Interest receivable

	2021 £000	2020 £000
Interest receivable on loan to shareholders	96	92
Interest receivable on finance debtor	3,983	4,257
	<u>4,079</u>	<u>4,349</u>

6. Interest payable and similar expenses

	2021 £000	2020 £000
Interest payable on bank loans	1,766	1,849
Interest payable on loans from group undertakings	572	657
Bank charges	2	2
	<u>2,340</u>	<u>2,508</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Taxation

	2021	2020
	£000	£000
Corporation tax		
Current tax on profits for the year	190	194
Adjustments in respect of previous periods	-	118
Total current tax	190	312
Deferred tax		
Origination and reversal of timing differences	(1,134)	194
Total deferred tax	(1,134)	194
Taxation on (loss)/profit on ordinary activities	(944)	506

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021	2020
	£000	£000
Profit on ordinary activities before tax	1,998	2,041
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	380	388
Effects of:		
Utilisation of tax losses	(190)	(194)
Other timing differences leading to an increase (decrease) in taxation	(1,134)	194
Adjustments to tax charge in respect of prior periods	-	118
Total tax charge for the year	(944)	506

Factors that may affect future tax charges

The Chancellor announced in the Budget on 3 March 2021, that there would be an increase in the top rate of corporation tax to 25% for companies generating taxable profits of more than £250,000. A corporation tax rate of 19% will apply to companies generating taxable profits of less than £50,000. A marginal rate will be applied for profits between these taxable profit bandings. This change becomes effective from 1 April 2023.

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8. Debtors

	2021 £000	2020 £000
Due after more than one year		
Amounts owed by shareholders	3,559	3,379
Finance debtor	55,788	57,212
Deferred tax asset	5,513	4,379
	64,860	64,970
 Due within one year		
Amounts owed by shareholders	24	109
Prepayments and accrued income	18	24
Finance debtor	1,716	1,612
	1,758	1,745

In October 2019 the Company issued, to its shareholders, an upstream loan totaling to a notional amount of £3,378,948. Interest is charged semi-annually at a rate of 2.720% pa. There are no fixed repayment terms however loan is repayable by 28 February 2041. Accrued interest is included in the above balances and amounts to £204,394 at the end of the year (2020: £108,880).

9. Current asset investments

	2021 £000	2020 £000
Cash on deposit	-	3,962
	-	3,962

At the Statement of Financial Position date there were no short term deposits held (2020 - short term deposits placed had an average maturity of 6 months).

10. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	4,219	1,666
	4,219	1,666

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Creditors: Amounts falling due within one year

	2021	<i>As restated</i> 2020
	£000	£000
Bank loans (note 13)	3,612	3,800
Trade creditors	37	411
Corporation tax	190	194
Other taxation and social security	309	293
Accruals and deferred income	653	618
	4,801	5,316

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

	2021	<i>As restated</i> 2020
	£000	£000
Bank loans (note 13)	74,108	77,635
Amounts owed to group undertakings (note 13)	4,987	5,458
	79,095	83,093

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13. Loans

Analysis of the maturity of loans is given below:

	2021 £000	<i>As restated</i> 2020 £000
Amounts falling due within one year		
Bank loans	3,612	3,800
	<u>3,612</u>	<u>3,800</u>
Amounts falling due 1-2 years		
Bank loans	3,161	3,693
	<u>3,161</u>	<u>3,693</u>
Amounts falling due 2-5 years		
Bank loans	8,266	8,428
	<u>8,266</u>	<u>8,428</u>
Amounts falling due after more than 5 years		
Bank loans	62,681	65,514
Amounts owed to group undertakings	4,987	5,458
	<u>67,668</u>	<u>70,972</u>
	<u><u>82,707</u></u>	<u><u>86,893</u></u>

The Company refinanced its existing senior debt with The Royal Bank of Scotland Plc in October 2019. The capital of the Royal Bank of Scotland debt was repaid in full and a new loan was drawdown with AVIVA Public Finance Limited for £85,208,442. The interest rate payable is 2.20% and repayments of the loan are due semi-annually, ending in August 2040.

As part of the refinancing transaction, up front cash was paid to the authorities totaling to £4,829,298 and an upstream loan was issued to the shareholders for a total of £3,378,948. There are no fixed repayment terms on the upstream loan however the balance is repayable by 28 February 2041 and bears interest at a rate of 2.72%.

Amounts owed to group undertakings relates to Unsecured Subordinated 11% Loan Stock held 100% by Equitix Infrastructure 3 Limited and loaned on to Justice Support Service (Norfolk & Suffolk) Limited and accrued interest payable and receivable thereon. The Unsecured Subordinated Loan Stock is repayable between March 2040 and March 2041. The ageing of the Loan Stock has been restated to reflect the contractual repayment profile. There is no impact on the results of the company at balance sheet or profit and loss level.

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14. Lifecycle provision

	2021	2020
	£000	£000
At beginning of year	1,568	1,834
Actual costs incurred in the year	(1,379)	(941)
Charge as per lifecycle	1,444	675
At end of year	1,633	1,568

15. Share capital

	2021	2020
	£000	£000
Allotted, called up and fully paid		
100,000 (2020: 100,000) Ordinary shares of £1.00 each	100	100

All shares rank pari passu.

16. Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard 102 and has not disclosed transactions with related parties where they are 100% owned.

During the period Equitix Management Services Limited provided management services to the Company amounting to £112,728 (2020: £111,168). At the reporting date £11,243 (2020: £22,234) of the management services fees remained outstanding within trade creditors.

17. Controlling party

The Company is a wholly owned subsidiary of Justice Support Services (Norfolk and Suffolk) MidCo Limited, a company incorporated in the United Kingdom and registered in England and Wales, 3rd Floor (South), 200 Aldersgate Street, London EC1A 4HD.

The Company's ultimate parent and controlling entity is Equitix Fund III LP, an English limited partnership, registered at 3rd Floor (South), 200 Aldersgate Street, London EC1A 4HD.