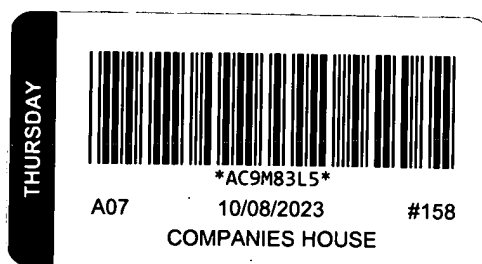


Company registration number 07110108 (England and Wales)

**JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



**JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	Joanne Fyfe Stewart Small (Appointed 24 November 2022)
<b>Secretary</b>	N Brodie
<b>Company number</b>	07110108
<b>Registered office</b>	3rd Floor, South Building 200 Aldersgate Street London England EC1A 4HD
<b>Auditor</b>	Ryecroft Glenton Chartered Accounts and Statutory Auditors 32 Portland Terrace Newcastle Upon Tyne NE2 1QP

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# **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 2022**

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The directors present their annual report and financial statements for the year ended 31 December 2022.

#### **Principal activities**

The principal activity of Justice Support Services (Norfolk & Suffolk) Limited ("the Company") is the design, construction, financing and 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.

#### **Going concern**

The Company is reporting net liabilities as at 31 December 2022 as result of a refinancing which took place during 2019, which resulted in the swap liability being settled.

The Company is profitable and cash generating and, as 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 which 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 current economic pressures 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 received from the Norfolk and Suffolk Police Authorities. The credit and performance risk of the FM contract supplier is also 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.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Joanne Fyfe

Daniel Vermeer

Stewart Small

(Resigned 23 November 2022)

(Appointed 24 November 2022)

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Auditor**

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

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### **Small companies exemption**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

# **JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED**

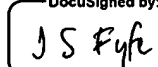
## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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On behalf of the board

DocuSigned by:



.....0868973137C84ES.....

Joanne Fyfe

**Director**

29-Jun-2023 | 14:20 BST

Date: .....

## **JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

#### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

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#### Opinion

We have audited the financial statements of Justice Support Services (Norfolk And Suffolk) Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including 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 2022 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 UK, including the FRC'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.

#### 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.

#### Opinions on other matters prescribed by the Companies Act 2006

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

## **JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED**

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##### **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' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

##### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

##### **The extent to which our procedures are capable of detecting irregularities, including fraud**

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.



# JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

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.

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 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 and reading risk registers;
- enquiring of management as to actual and potential litigation and claims along with how these are managed; and
- reviewing correspondence with HMRC, and the Company's legal advisors, along with discussing laws and regulations with those who are responsible for compliance.

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 is available on the Financial Reporting Council's website at: <https://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 auditor's 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:

*Grahame Maughan*

8224BF4470E446E...

**Grahame Maughan**

**Senior Statutory Auditor**

**For and on behalf of Ryecroft Glenton**

29-Jun-2023 | 15:20 BST

Date: .....

**Chartered Accountants**

**Statutory Auditor**

Chartered Accounts and Statutory  
Auditors

32 Portland Terrace  
Newcastle Upon Tyne  
NE2 1QP

# JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £000	2021 £000
Turnover		3,263	4,307
Cost of sales		(2,776)	(3,680)
<b>Gross profit</b>		<b>487</b>	<b>627</b>
Administrative expenses		(315)	(368)
<b>Operating profit</b>		<b>172</b>	<b>259</b>
Interest receivable and similar income	4	3,980	4,079
Interest payable and similar expenses	5	(2,230)	(2,340)
<b>Profit before taxation</b>		<b>1,922</b>	<b>1,998</b>
Tax on profit	6	(423)	944
<b>Profit for the financial year</b>		<b>1,499</b>	<b>2,942</b>

The income statement has been prepared on the basis that all operations are continuing operations.

There was no other comprehensive income for 2022 (2021: £Nil).

The notes on pages 10 to 17 form part of these financial statements.

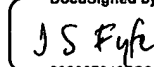
**JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

	Notes	2022 £000	2021 £000	2021 £000
<b>Current assets</b>				
Debtors falling due after more than one year	7	61,868	64,860	
Debtors falling due within one year	7	1,872	1,758	
Investments	8	1,327	-	
Cash at bank and in hand		2,374	4,219	
		<u>67,441</u>	<u>70,837</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(4,360)</u>	<u>(4,801)</u>	
<b>Net current assets</b>			63,081	66,036
<b>Creditors: amounts falling due after more than one year</b>	10		(75,833)	(79,095)
<b>Provisions for liabilities</b>			(441)	(1,633)
<b>Net liabilities</b>			<u>(13,193)</u>	<u>(14,692)</u>
<b>Capital and reserves</b>				
Called up share capital	11		100	100
Profit and loss reserves			(13,293)	(14,792)
<b>Total equity</b>			<u>(13,193)</u>	<u>(14,692)</u>

The notes on pages 10 to 17 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 29-Jun-2023 | 14:20 BST and are signed on its behalf by:

DocuSigned by:  
  
 8888879137C04E5:.....  
 Joanne Fyfe  
 Director

Company Registration No. 07110108

# JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

## STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital	Profit and loss reserves	Total
	£000	£000	£000
<b>Balance at 1 January 2021</b>	100	(17,734)	(17,634)
<b>Year ended 31 December 2021:</b>			
Profit and total comprehensive income for the year	-	2,942	2,942
	<u>100</u>	<u>(14,792)</u>	<u>(14,692)</u>
<b>Balance at 31 December 2021</b>	100	(14,792)	(14,692)
<b>Year ended 31 December 2022:</b>			
Profit and total comprehensive income for the year	-	1,499	1,499
	<u>100</u>	<u>(13,293)</u>	<u>(13,193)</u>
<b>Balance at 31 December 2022</b>	100	(13,293)	(13,193)

The notes on pages 10 to 17 form part of these financial statements.

# JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

##### Company information

Justice Support Services (Norfolk And Suffolk) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD.

##### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 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 disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

The Company is reporting net liabilities as at 31 December 2022 as result of a refinancing which took place during 2019, which resulted in the swap liability being settled.

The Company is profitable and cash generating and, as 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 which 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 current economic pressures 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 received from the Norfolk and Suffolk Police Authorities. The credit and performance risk of the FM contract supplier is also 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.

##### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

# JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### 1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### 1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### 1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 1 Accounting policies

(Continued)

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.8 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 1.9 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.

# JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### 1.10 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 and substantially all the risks and rewards of ownership of the property asset remain with Norfolk and Suffolk Police Authorities.

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.

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 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### 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% (2021: 6.49%) per annum.

##### Service margin

Revenue on facilities management and other operating costs is recognised at cost plus an estimated mark up.



# JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 3 Employees

The average monthly number of persons employed by the company during the year was:

	2022 Number	2021 Number
Total	-	-

#### 4 Interest receivable and similar income

	2022 £000	2021 £000
Interest receivable and similar income includes the following:		
Interest receivable on finance debtor	3,879	3,983
Interest on bank deposits	3	-
Interest receivable from group companies	98	96
	<u>3,980</u>	<u>4,079</u>

#### 5 Interest payable and similar expenses

	2022 £000	2021 £000
Interest payable and similar expenses includes the following:		
Interest on bank overdrafts and loans	1,688	1,766
Bank charges	2	2
Interest payable to group undertakings	540	572
	<u>2,230</u>	<u>2,340</u>

#### 6 Taxation

	2022 £000	2021 £000
<b>Current tax</b>		
UK corporation tax on profits for the current period	183	190
	<u></u>	<u></u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	240	(1,134)
	<u></u>	<u></u>
Total tax charge/(credit)	<u>423</u>	<u>(944)</u>

# JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 7 Debtors

	2022	2021
	£000	£000
<b>Amounts falling due within one year:</b>		
Corporation tax recoverable	3	-
Amounts owed by group undertakings	25	24
Other debtors	1,844	1,734
	<u>1,872</u>	<u>1,758</u>
<b>Amounts falling due after more than one year:</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Finance debtor	52,939	55,788
Amounts owed by group undertakings	3,656	3,559
	<u>56,595</u>	<u>59,347</u>
Deferred tax asset	5,273	5,513
	<u>61,868</u>	<u>64,860</u>
<b>Total debtors</b>	<b>63,740</b>	<b>66,618</b>

Included within Other debtors is the short term balance of the finance debtor £1,827,814 (2021: £1,716,402). The remaining balance relating to prepayments and accrued income is £16,029 (2021: £18,365).

Included within Amounts owed by group undertakings falling due after more than one year is the outstanding balance on an upstream loan that the Company issued to the shareholders during the refinance in October 2019. The nominal amount issued was £3,378,948 and it accrues interest at a rate of 2.72%. There are no fixed repayment terms however the balance is repayable by 28 February 2041. At the end of the reporting period the outstanding loan amount is £3,378,948 (2021: £3,378,948) and compound interest amount is £277,456 (2021: £179,994).

#### 8 Current asset investments

	2022	2021
	£000	£000
Other investments	1,327	-

At the end of the reporting period there was a balance of £1,327,029 (2021: £NIL) placed on short term deposits. The short term deposits have an average maturity of 6 months.

# JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 9 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Bank loans	3,162	3,612
Trade creditors	321	37
Corporation tax	-	190
Other taxation and social security	296	309
Accruals and deferred income	581	653
	<u>4,360</u>	<u>4,801</u>

#### 10 Creditors: amounts falling due after more than one year

	2022 £000	2021 £000
Bank loans and overdrafts	70,946	74,108
Amounts owed to group undertakings	4,887	4,987
	<u>75,833</u>	<u>79,095</u>

Bank loans are secured by fixed and floating charges on the assets of the Company, and a charge over the shares of the Company.

The Company has a senior debt facility with AVIVA Public Finance Limited which was entered into in October 2019 when the project had gone through a refinance and repaid its previous senior debt with The Royal Bank of Scotland. The new loan amount drawdown was £85,208,442. The interest rate payable is 2.20% per annum and repayments are due semi-annually, ending in August 2040.

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). As per the contractual repayment profile the Unsecured Subordinated Loan Stock is repayable between March 2040 and March 2041. The ageing is therefore reflecting the contractual repayment profile and the outstanding balance of the loan is classified as falling due after five years.

Creditors which fall due after five years are as follows:

	2022 £000	2021 £000
Payable by instalments	<u>63,402</u>	<u>67,668</u>

#### 11 Called up share capital

	2022 Number	2021 Number	2022 £000	2021 £000
Ordinary share capital Issued and fully paid of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100</u>	<u>100</u>

All shares rank pari passu.

## **JUSTICE SUPPORT SERVICES (NORFOLK AND SUFFOLK) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

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#### **12 Related party transactions**

The Company's immediate parent company is Justice Support Services (Norfolk and Suffolk) MidCo Limited ("Parent Company"). The Company has taken advantage of the exemption in Financial Reporting Standard 102 and has not disclosed transactions with group undertakings where 100% of the equity interest is held.

Equitix Management Services Limited is a related party as it is owned by a company which controls Equitix Education Limited which is within the Parent Company group structure. During the period Equitix Management Services Limited provided management services to the Company amounting to £117,891 (2021: £112,728). At the reporting date £11,789 (2021: £11,243) of the management services fees remained outstanding within trade creditors.

#### **13 Parent company**

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.