WELLINGBOROUGH NORSE LIMITED

COMPANY INFORMATION

DIRECTORS
D T Wetteland
B Gallyot
A P S Piper
M T Emms
T R Allebone

COMPANY SECRETARY
H L Jones

REGISTERED NUMBER
07883119

REGISTERED OFFICE
Lancaster House
16 Central Avenue
St Andrews Business Park
Norwich
Norfolk
NR7 0HR

INDEPENDENT AUDITOR
PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
Abacus House
Castle Park
Cambridge
Cambridgeshire
CB3 0AN

BANKERS
Barclays Bank plc
PO Box 885
Mortlock House
Histon
Cambridge
CB24 9DE
<table>
<thead>
<tr>
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<th>Page(s)</th>
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WELLINGBOROUGH NORSE LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 1 APRIL 2018

The directors present their report and the audited financial statements for the year ended 1 April 2018.

The financial statements are prepared to the closest Sunday to 31 March 2018. This represents 52 weeks of trading to 1 April 2018.

RESULTS

The profit for the year, after taxation, amounted to £98,853 (2017 - £103,046).

OUTLOOK

The company carries out the majority of its work for the Council, under a long term agreement. Whilst pressures on public sector budgets is likely to result in some changes to services provision, the overall risk to the company is considered low.

KEY PERFORMANCE INDICATORS

The company uses a range of performance measures to monitor and manage the business effectively. The financial measures are reported on the Balance Scorecard performance monitoring system.

The key performance indicators (KPI's) are revenue, gross profit and margin and net profit and margin. The key non financial indicator is the average number of employees. The directors are satisfied with the performance of the company in the year. The KPI's for the year ended 1 April 2018 with comparatives for the year ended 2 April 2017 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>1 April 2018</th>
<th>2 April 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue £</td>
<td>6,574,238</td>
<td>6,238,025</td>
</tr>
<tr>
<td>Gross profit £</td>
<td>1,864,792</td>
<td>1,839,423</td>
</tr>
<tr>
<td>Gross margin %</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td>Net profit before taxation £</td>
<td>129,229</td>
<td>117,488</td>
</tr>
<tr>
<td>Net profit margin %</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Average number of employees</td>
<td>183</td>
<td>164</td>
</tr>
</tbody>
</table>
PRINCIPAL RISKS AND UNCERTAINTIES

As the company deals primarily with one main customer, its performance is affected by changes in that customers requirements. In the current economic climate it is likely that there will be pressures to reduce the cost of the services provided. This has the potential to adversely affect both revenue and profitability. The directors will look for opportunities to acquire other work to replace lost revenue, and to review operating costs to deliver savings where possible.

We undertake a wide range of services for our customers, many of which are potentially hazardous either to our employees or other users. We have a robust system of health and safety management, with health and safety plans in place across the organisation, and health and safety being a standing item on all management and board meeting agendas. All accidents are investigated, and any areas for improvement are immediately followed up by management, supported by our Health and Safety team. The Board maintains a strong focus on providing effective governance and oversight, and a clear commitment to achieving the highest standards.

Financial risk management objectives and policies
In common with other businesses, the company aims to minimise financial risk. The measures used by the directors to manage the risk include the preparation of profit and cash flow forecasts, regular monitoring of actual performance against these forecasts and ensuring adequate financing facilities are in place to meet requirements of the business.

Credit risk
Credit limits are set for customers based on a combination of credit checks and trading history, the limits are reviewed regularly and the debts are actively chased by the credit control department. Trade receivables are closely monitored to keep the risk of bad debts to a minimum level.

Liquidity risk
Working capital requirements are regularly reviewed in conjunction with available financing facilities as part of routine financial management.

Currency risk
As the vast majority of both sales and purchases are transacted in sterling, the company has minimal exposure to translation and transaction foreign exchange risk.

Price risk
Price risk around revenue is predominantly mitigated by contracts. The risk around fixed price contracts are mitigated by regular reviews of input prices.
WELLINGBOROUGH NORSE LIMITED

DIRECTORS’ REPORT (CONTINUED)
FOR THE YEAR ENDED 1 APRIL 2018

DIRECTORS

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

D T Wetteland (appointed 10 April 2017)
B Gallyot
J P Carr (resigned 21 August 2018)
N Holden (resigned 23 July 2018)
J Thomas (resigned 13 March 2018)
A P S Piper (appointed 13 March 2018)
M T Emms (appointed 23 July 2018)
T R Allebone (appointed 10 September 2018)

QUALIFYING THIRD PARTY INDEMNITY INSURANCE

The company maintains liability insurance for its directors and officers. The directors and officers have also been granted a qualifying third party indemnity provision under section 234 of the Companies Act 2006 which is in force throughout the year and to the date of approval of the financial statements. Neither the company's indemnity nor insurance provides cover in the event that a director or officer is proved to have acted fraudulently or dishonestly.

GOING CONCERN

Whilst the entity remains profit making and has positive [net current assets and] net assets the entity operates as part of a wider Group and as such the Directors have received confirmation from Norse Commercial Services Limited that it will provide, for a period of at least 12 months from the date of the signing of these financial statements, such financial support as is necessary to allow the company to meets its liabilities as they fall due. Accordingly, the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

EMPLOYEE INVOLVEMENT

The company has continued the practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the company. This is achieved through consultations with employee representatives and a company newsletter.

DISABLED EMPLOYEES

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retain them in order that their employment with the company may continue.

It is the policy of the company that training, career development and promotion opportunities should be available to all employees.
DIRECTORS' RESPONSIBILITIES STATEMENT

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors 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.

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each director in office directors at the time when this Directors' report is approved has confirmed that:

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

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.
SMALL COMPANY EXEMPTION

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 15 of the Companies Act 2006.

This report was approved by the board and signed by order of the board:

H L Jones
Secretary

Date: 14/12/18
Independent auditors’ report to the members of Wellingborough Norse Limited

Report on the audit of the financial statements

Opinion

In our opinion, Wellingborough Norse Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 1 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 “Reduced Disclosure Framework”, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the “Annual Report”), which comprise: the statement of financial position as at 1 April 2018; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors’ Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.
Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 1 April 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

[Signature]

Andy Grimby (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
9 December 2018
## WELTINGBOROUGH NORSE LIMITED

### STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 1 APRIL 2018

<table>
<thead>
<tr>
<th>Note</th>
<th>Revenue</th>
<th>£</th>
<th>Cost of sales</th>
<th>£</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>6,574,238</td>
<td></td>
<td>(4,709,446)</td>
<td>(4,398,602)</td>
<td>6,238,025</td>
<td>6,238,025</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>GROSS PROFIT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,864,792</td>
<td></td>
<td>1,839,423</td>
<td></td>
<td>1,735,563</td>
<td>1,721,935</td>
</tr>
<tr>
<td>5</td>
<td>129,229</td>
<td></td>
<td>117,488</td>
<td></td>
<td>OPERATING PROFIT</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>(30,376)</td>
<td></td>
<td>(14,442)</td>
<td></td>
<td>Income tax expense</td>
<td></td>
</tr>
<tr>
<td></td>
<td>98,853</td>
<td></td>
<td>103,046</td>
<td></td>
<td>PROFIT FOR THE FINANCIAL YEAR</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>98,853</td>
<td></td>
<td>103,046</td>
<td></td>
<td>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</td>
<td></td>
</tr>
</tbody>
</table>

The notes on pages 11 to 26 form part of these financial statements.
WELLINGBOROUGH NORSE LIMITED  
REGISTERED NUMBER: 07883119  

STATEMENT OF FINANCIAL POSITION  
AS AT 1 APRIL 2018

<table>
<thead>
<tr>
<th>Note</th>
<th>1 April 2018</th>
<th>2 April 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>10</td>
<td>10,891</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>11</td>
<td>1,377,788</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>12</td>
<td>3,837</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,392,516</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>13</td>
<td>(640,192)</td>
</tr>
<tr>
<td><strong>NET CURRENT ASSETS</strong></td>
<td></td>
<td>752,324</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td>752,324</td>
</tr>
<tr>
<td><strong>CAPITAL AND RESERVES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Called up share capital</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>752,324</td>
</tr>
</tbody>
</table>

The financial statements on page 8 to 26 were approved and authorised for issue by the board and were subsequently signed on its behalf by:

D T Wetteland  
Director

Date: 14/12/18

The notes on pages 11 to 26 form part of these financial statements.
WELLINGBOROUGH NORSE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 1 APRIL 2018

<table>
<thead>
<tr>
<th></th>
<th>Called up share capital</th>
<th>Retained earnings</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 3 April 2017</td>
<td>10</td>
<td>653,461</td>
<td>653,471</td>
</tr>
<tr>
<td>COMPREHENSIVE INCOME FOR THE YEAR</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the financial year</td>
<td>-</td>
<td>98,853</td>
<td>98,853</td>
</tr>
<tr>
<td>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</td>
<td>-</td>
<td>98,853</td>
<td>98,853</td>
</tr>
<tr>
<td>AT 1 APRIL 2018</td>
<td>10</td>
<td>752,314</td>
<td>752,324</td>
</tr>
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</table>

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 2 APRIL 2017

<table>
<thead>
<tr>
<th></th>
<th>Called up share capital</th>
<th>Retained earnings</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 4 April 2016</td>
<td>10</td>
<td>550,415</td>
<td>550,425</td>
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<tr>
<td>COMPREHENSIVE INCOME FOR THE YEAR</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the financial year</td>
<td>-</td>
<td>103,046</td>
<td>103,046</td>
</tr>
<tr>
<td>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</td>
<td>-</td>
<td>103,046</td>
<td>103,046</td>
</tr>
<tr>
<td>AT 2 APRIL 2017</td>
<td>10</td>
<td>653,461</td>
<td>653,471</td>
</tr>
</tbody>
</table>

The notes on pages 11 to 26 form part of these financial statements.
1. GENERAL INFORMATION

The company is a private limited by shares company, incorporated and domiciled in England and registered at Lancaster House, 16 Central Avenue, St Andrews Business Park, Norwich, Norfolk, NR7 0HR.

The principal activities of the company are the provision of facilities management, waste management, cleaning and maintenance services.

1.1 RESTATEMENT

The Directors have reviewed the accounting for operating leases and have identified that a number of leases previously treated as a commitment by the company are held by a fellow group undertaking. As a consequence the disclosure of any related operating lease commitment has been removed from the financial statements. There is nil impact on profit or reserves.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework', the historical cost convention and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

The presentational currency is British Pounds Sterling (£)
2. ACCOUNTING POLICIES (CONTINUED)

2.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of IFRS 7 Financial Instruments: Disclosures

- Paragraphs 91-99 of IFRS 13, 'Fair value measurement' (disclosures of valuation techniques and inputs used for fair value measurement of assets and liabilities).

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - Paragraph 79(a)(iv) of IAS 1;
  - Paragraph 73(e) of IAS 16 Property, plant and equipment;
  - Paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period).

- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures)

- The requirement of IAS 7 Statement of Cash Flows

- The requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures and Key Management Compensation.

- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

2.3 NEW STANDARDS, AMENDMENTS AND IFRIC INTERPRETATIONS

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 1 April 2018 have had a material impact on the company.

2.4 GOING CONCERN

Whilst the entity remains profit making and has positive [net current assets and] net assets the entity operates as part of a wider Group and as such the Directors have received confirmation from Norse Commercial Services Limited that it will provide, for a period of at least 12 months from the date of the signing of these financial statements, such financial support as is necessary to allow the company to meet its liabilities as they fall due. Accordingly, the directors believe it remains appropriate to prepare the financial statements on a going concern basis.
2. ACCOUNTING POLICIES (CONTINUED)

2.5 REVENUE

Revenue comprises revenue from the sale of goods and the rendering of services. Revenue is measured by reference to the fair value of consideration received or receivable by the company for goods supplied and services provided, excluding VAT, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the company's different activities has been met. These activity-specific recognition criteria are based on the goods or solutions provided to the customer and the contract conditions in each case.

Revenue from the sale of goods is recognised when the company has transferred to the buyer the significant risks and rewards of ownership of the goods. In practice the satisfaction of these conditions generally coincides with when the goods are delivered.

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at the balance sheet date.

2.6 DIVIDEND DISTRIBUTION POLICY

Final dividends to the company's shareholders are recognised as a liability in the period in which the dividends are approved by the company's shareholders. Interim dividends are recognised when paid.

2.7 OPERATING LEASES: LESSEE

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Associated costs, such as maintenance and insurance, are expensed as incurred.

2.8 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost represents materials, direct labour and overheads incurred in bringing inventories to their present condition and location. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision is made for obsolete, slow moving or defective items where appropriate.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.
2. ACCOUNTING POLICIES (CONTINUED)

2.9 TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Short term receivables 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.

2.10 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. ACCOUNTING POLICIES (CONTINUED)

2.11 FINANCIAL INSTRUMENTS

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets
The company classifies all of its financial assets as loans and receivables.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities
The company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost
Financial liabilities at amortised cost are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the statement of financial position.
2. ACCOUNTING POLICIES (CONTINUED)

2.12 TRADE AND OTHER PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Short term payables are measured at the transaction price. Other financial liabilities are measured initially at fair value net of transaction costs and are measured subsequently at amortised cost using the effective interest method.

2.13 PENSIONS

Defined benefit pension plan

The contributions to the pension scheme have been treated as if they are contributions to a defined contribution scheme, despite the members being part of Northamptonshire Pension Fund, a local government pension scheme. The company is required to pay contributions at a set percentage for the life of the agreement, with any increase or decrease in funding requirements being met in full by the Borough Council of Wellingborough.

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 the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.
2. ACCOUNTING POLICIES (CONTINUED)

2.14 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholder's funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholder's funds, 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 taxable income.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition of other assets and liabilities (other than in a business combination) in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates, and interests in jointly controlled entities, except where the company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax is calculated, without discounting, based on the laws enacted or substantively enacted by the reporting date and 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 other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.
WELLINGBOROUGH NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 APRIL 2018

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

To be able to prepare financial statements according to FRS 101, management must make estimates and assumptions that affect the assets and liability items and revenues and expense amounts recorded in the financial statements. These estimates are based on historical experience and various other assumptions that management and the Board of directors believe are reasonable under the circumstances. The results of this form the basis for making judgements about the carrying value of assets and liabilities that are not readily available from other sources.

The actual results are likely to differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expense are discussed below:

Critical judgments
Leases
In some cases, the lease transaction is not always conclusive, and management uses judgment in determining whether the lease is a finance lease arrangement that transfers substantially all the risks and rewards incidental to ownership. See note 19.

Impairment of trade receivables
The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. See note 11 for the net carrying amount of receivables and associated impairment provision.

4. REVENUE

All turnover arose within the United Kingdom.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>£6,703,467</td>
<td>£6,355,513</td>
</tr>
<tr>
<td>Rebates</td>
<td>(129,229)</td>
<td>(117,488)</td>
</tr>
<tr>
<td>Net revenue</td>
<td>£6,574,238</td>
<td>£6,238,025</td>
</tr>
</tbody>
</table>
REVENUE (CONTINUED)

<table>
<thead>
<tr>
<th>Service</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste and environmental</td>
<td>4,860,981</td>
<td>4,839,718</td>
</tr>
<tr>
<td>Facilities management</td>
<td>808,498</td>
<td>713,561</td>
</tr>
<tr>
<td>Cleaning</td>
<td>477,887</td>
<td>316,205</td>
</tr>
<tr>
<td>Transport</td>
<td>4,634</td>
<td>5,001</td>
</tr>
<tr>
<td>Other services</td>
<td>422,238</td>
<td>363,540</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>6,574,238</strong></td>
<td><strong>6,238,025</strong></td>
</tr>
</tbody>
</table>

5. OPERATING PROFIT

The operating profit is stated after charging:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impairment of trade receivables</td>
<td>55</td>
<td>3,168</td>
</tr>
<tr>
<td>Inventory recognised as an expense</td>
<td>202,117</td>
<td>190,979</td>
</tr>
</tbody>
</table>

6. AUDITORS' REMUNERATION

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees for the audit of the company</td>
<td>5,310</td>
<td>5,200</td>
</tr>
</tbody>
</table>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group financial statements of the parent company.
7. **EMPLOYEES**

Staff costs, including directors' remuneration, were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>£2,767,731</td>
<td>£2,636,737</td>
</tr>
<tr>
<td>Social security costs</td>
<td>£219,437</td>
<td>£199,725</td>
</tr>
<tr>
<td>Other pension costs</td>
<td>£174,251</td>
<td>£175,765</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£3,161,419</strong></td>
<td><strong>£3,012,227</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
<td>Cleaning</td>
<td>68</td>
<td>63</td>
</tr>
<tr>
<td>Waste, environmental and other services</td>
<td>97</td>
<td>86</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>183</strong></td>
<td><strong>164</strong></td>
</tr>
</tbody>
</table>

8. **DIRECTORS' REMUNERATION**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors' emoluments</td>
<td>£101,273</td>
<td>£69,584</td>
</tr>
</tbody>
</table>

During the year retirement benefits were accruing to 1 director (2017 - 1) in respect of defined contribution pension schemes.

During the year retirement benefits were accruing to 1 director (2017 - NIL) in respect of defined benefit pension schemes.

The above disclosure excludes three directors who received no remuneration for services provided to the company and one director who is paid by Norse Commercial Services Limited with no recharge.
9. INCOME TAX

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CORPORATION TAX</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK corporation tax on profits for the year</td>
<td>25,631</td>
<td>21,911</td>
</tr>
<tr>
<td>Adjustments in respect of previous periods</td>
<td>2,618</td>
<td>(2,723)</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT TAX</strong></td>
<td>28,249</td>
<td>19,188</td>
</tr>
<tr>
<td><strong>DEFERRED TAX</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Origination and reversal of timing differences</td>
<td>2,127</td>
<td>(4,746)</td>
</tr>
<tr>
<td><strong>TOTAL DEFERRED TAX</strong></td>
<td>2,127</td>
<td>(4,746)</td>
</tr>
<tr>
<td><strong>TAX ON PROFIT</strong></td>
<td>30,376</td>
<td>14,442</td>
</tr>
</tbody>
</table>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK for the year ended 1 April 2018 of 19% (2017 - 20%). The differences are explained below:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax</td>
<td>129,229</td>
<td>117,488</td>
</tr>
<tr>
<td>Profit multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)</td>
<td>24,554</td>
<td>23,498</td>
</tr>
<tr>
<td><strong>EFFECTS OF:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses not deductible for tax purposes</td>
<td>3,204</td>
<td>(6,333)</td>
</tr>
<tr>
<td>Adjustments in respect of previous periods</td>
<td>2,618</td>
<td>(2,723)</td>
</tr>
<tr>
<td><strong>TAX CHARGE</strong></td>
<td>30,376</td>
<td>14,442</td>
</tr>
</tbody>
</table>
9. INCOME TAX (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2017 (on 6 September 2016). These include reductions to the main rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

10. INVENTORIES

<table>
<thead>
<tr>
<th></th>
<th>1 April</th>
<th>2 April</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Raw materials and consumables</td>
<td>£10,891</td>
<td>£17,407</td>
</tr>
</tbody>
</table>

Inventory recognised in cost of sales during the year as an expense was £202,117 (2017: £190,979). No amounts have been charged to the income statement in the current or previous year in relation to stock provisions and write offs.

11. TRADE AND OTHER RECEIVABLES

<table>
<thead>
<tr>
<th></th>
<th>1 April</th>
<th>2 April</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Trade debtors</td>
<td>152,896</td>
<td>119,223</td>
</tr>
<tr>
<td>Amounts owed by group undertakings</td>
<td>1,186,861</td>
<td>816,257</td>
</tr>
<tr>
<td>Other receivables</td>
<td>2</td>
<td>88</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>29,565</td>
<td>136,704</td>
</tr>
<tr>
<td>Deferred taxation (see note 14)</td>
<td>8,464</td>
<td>10,591</td>
</tr>
<tr>
<td></td>
<td>1,377,788</td>
<td>1,082,863</td>
</tr>
</tbody>
</table>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. There is no provision against this debt (2017: £Nil).

Trade receivables are stated after provisions for impairment of £1,134 (2017: £1,946).
12. CASH AND CASH EQUIVALENTS

\[
\begin{array}{lcc}
& 1 \text{ April} & 2 \text{ April} \\
& 2018 & 2017 \\
\hline
\text{Cash at bank and in hand} & 3,837 & 369 \\
\end{array}
\]

13. TRADE AND OTHER PAYABLES

\[
\begin{array}{lcc}
& 1 \text{ April} & 2 \text{ April} \\
& 2018 & 2017 \\
\hline
\text{Trade payables} & 101,850 & 143,153 \\
\text{Corporation tax} & 25,631 & 21,911 \\
\text{Other payables} & 4,194 & 353 \\
\text{Accruals and deferred income} & 508,517 & 281,751 \\
\hline
\text{Total} & 640,192 & 447,168 \\
\end{array}
\]

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

14. DEFERRED TAXATION

\[
\begin{array}{lcc}
\text{Deferred tax} \\
\hline
\text{\£} \\
\hline
\text{At 3 April 2017} & 10,591 \\
\text{Charged to the profit or loss} & (2,127) \\
\hline
\text{AT 1 APRIL 2018} & 8,464 \\
\end{array}
\]
14. DEFERRED TAXATION (CONTINUED)

The deferred tax asset is made up as follows:

<table>
<thead>
<tr>
<th></th>
<th>1 April</th>
<th>2 April</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Depreciation in excess of capital allowances</td>
<td>1,041</td>
<td>1,200</td>
</tr>
<tr>
<td>Other timing differences</td>
<td>7,423</td>
<td>9,391</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8,464</td>
<td>10,591</td>
</tr>
</tbody>
</table>

15. CALLED UP SHARE CAPITAL

<table>
<thead>
<tr>
<th></th>
<th>1 April</th>
<th>2 April</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>ALLOTTED, CALLED UP AND FULLY PAID</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 (2016: 8) Ordinary A shares of £1 each</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>2 (2016: 2) Ordinary B shares of £1 each</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

The shares rank pari passu in all aspects.

16. RESERVES

Retained earnings

Includes all current and prior year retained profits and losses.
WELLINGBOROUGH NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 APRIL 2018

17. CONTINGENT LIABILITIES

The company is part of a group VAT registration and as such is jointly and severally liable for the VAT liability of the entire group. The group liability at the year end was £2,245,484 (2017: £2,311,320).

A cross guarantee in favour of Barclays Bank plc is in place between Wellingborough Norse Limited and the following group companies: Devon Norse Limited, Enfield Norse Limited, Great Yarmouth Norse Limited, GYB Services Limited, Medway Norse Limited, Medway Norse Transport, Newport Norse Limited, Norfolk Environmental Waste Services Limited, Norse Commercial Services Limited, Norse Eastern Limited, Norse Transport, Suffolk Coastal Norse Limited, Suffolk Norse Limited, Suffolk Norse Transport, Eventguard Limited, Norse South East Limited and Waveney Norse Limited. The indebtedness subject to this guarantee at the period end was £Nil.

The nature of the group's activities, particularly in relation to its operations, is such that from time to time it faces challenges in respect of contractual disputes, laws and regulations and tax arising in the normal course of business. Provisions are made in respect of these actions where this is appropriate.

18. PENSION COMMITMENTS

The pension cost represents contributions payable by the company to the scheme and amounted to £174,642 (2017: £175,765). Outstanding contributions amounted to £Nil (2017: £Nil) and are included within other payables.
WELLINGBOROUGH NORSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 APRIL 2018

19. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions available under FRS 101 for paragraph 17 of IAS 24, whereby wholly owned group undertakings do not have to disclose intra-group transactions with other wholly owned members of the same group. The company had the following transactions and balances in the normal course of trade with related parties Norse Commercial Services Limited, the immediate parent undertaking, fellow subsidiaries of this Group, Norfolk County Council, the ultimate parent undertaking and the Borough Council of Wellingborough.

<table>
<thead>
<tr>
<th></th>
<th>Sales £</th>
<th>Purchases £</th>
<th>Debtors £</th>
<th>Creditors £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norse Commercial Services Limited</td>
<td>1,872</td>
<td>(639,934)</td>
<td>1,186,861</td>
<td>-</td>
</tr>
<tr>
<td>Borough Council of Wellingborough</td>
<td>5,512,005</td>
<td>(308,021)</td>
<td>51,328</td>
<td>(353,821)</td>
</tr>
<tr>
<td>Norse Eastern Limited</td>
<td>-</td>
<td>(1,605)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Sales £</th>
<th>Purchases £</th>
<th>Debtors £</th>
<th>Creditors £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norse Commercial Services Limited</td>
<td>-</td>
<td>(537,227)</td>
<td>816,257</td>
<td>-</td>
</tr>
<tr>
<td>Borough Council of Wellingborough</td>
<td>5,445,602</td>
<td>(643,824)</td>
<td>13,616</td>
<td>(181,715)</td>
</tr>
<tr>
<td>Norse Eastern Limited</td>
<td>445</td>
<td>(4,022)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>GYB Services Limited</td>
<td>-</td>
<td>(5,355)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking and smallest group to consolidate these financial statements, is Norse Commercial Services Limited and consolidated financial statements for this group are available from Companies House, Cardiff, CF14 3UZ.

The company's ultimate controlling party and largest group to consolidate these financial statements, is Norfolk County Council, by virtue of its ownership of 100% of the ordinary share capital of Norse Group Limited. Copies of the Norfolk County Council consolidated financial statements can be obtained from www.norfolk.gov.uk.