

Waveney Norse Limited

In 2008/09 the Council entered into an arrangement with Norse Commercial Services Limited (NCS) for the provision of a package of services including Refuse, Cleansing and Maintenance. A new company, Waveney Norse Ltd, was formed to deliver this service.

Group Accounts have been prepared as the Council has the 'power' to participate in operating decisions and because transactions between Waveney Norse Ltd and the Council are material. Group Accounts incorporate the Council's share of the net assets and surplus of Waveney Norse Ltd as an Associate, using the Equity method.

The Company prepared its accounts for 2nd April 2017, a few days after the Council, which is within the permissible period for consolidation, subject to there being no significant movements within that period. Therefore for both the current accounts and the comparative figures no adjustment has been made to the accounts of the Company to make it co-terminus with the Council. The Group Accounts are included in this document as additional columns to the Council's Primary Statements, showing the extent of the Council's 19.9% interest in the Company.

In addition to the Group Accounts, the following information has been disclosed to aid an understanding of the nature of the group relationship and the impact of the arrangement on the Council's Statement of Accounts.

- a) The registered name of the Company is Waveney Norse Limited;
- b) Nature of the business – the principal activity of the Company is that of refuse, cleansing and maintenance services;
- c) The immediate parent undertaking is Norse Commercial Services Limited;
- d) The ultimate parent undertaking is Norse Group Limited;
- e) The Company's ultimate controlling party is Norfolk County Council, by virtue of them owning 100% of the ordinary share;
- f) The Council holds fully paid Ordinary Share capital of £2, with no special rights or constraints. It has a 19.9% share of the Company and also receives a 50-50 profit / loss share at year-end;
- g) The Company's contribution to its pension scheme is treated as if they are contributions to a defined contribution scheme. The Company pays a set contribution over the life of the Agreement, with any increase or decrease in funding being met by the Council;
- h) Payments made to Waveney Norse Limited in respect of refuse, cleansing and maintenance services are included within the Cost of Services in the Comprehensive Income and Expenditure Statement. Total payments to Waveney Norse Ltd were £7.409m in 2016/17 (£7.547m in 2015/16) and included in the Accounting Statement as follows:

	2016/17 £'000	2015/16 £'000
Housing Operations and Landlord Services	614	621
Legal & Democratic Services	9	9
Operations	6,775	6,906
Planning and Coastal Management	<u>11</u>	<u>11</u>
	<u>7,409</u>	<u>7,547</u>

i) Details of the Company's annual financial results to 2nd April 2017 are set out below:

	2017 Waveney Norse £'000	2017 Council Investment (19.9%) £'000	2016 Waveney Norse £'000	2016 Council Investment (19.9%) £'000
Current Assets				
Stock	67	13	51	10
Debtors	3,727	742	2,978	593
Cash at Bank	<u>4</u>	<u>1</u>	<u>6</u>	<u>1</u>
Gross Assets	3,798	756	3,035	604
Creditors falling due within one year	<u>(2,182)</u>	<u>(434)</u>	<u>(1,703)</u>	<u>(339)</u>
Net Assets / Shareholder's Funds	<u>1,616</u>	<u>322</u>	<u>1,332</u>	<u>265</u>
Turnover	9,154	1,822	11,176	2,224
Profit on ordinary activity before taxation	377	75	415	83
Tax on profit on ordinary activity	<u>(93)</u>	<u>(19)</u>	<u>(87)</u>	<u>(17)</u>
Profit for the Financial Period	<u>284</u>	<u>56</u>	<u>328</u>	<u>66</u>
<u>Tax components included in the above figures are as follows:</u>	£'000	£'000	£'000	£'000
Debtors				
- Deferred Tax asset	20	4	20	4
Creditors falling due within one year				
- Corporation Tax	89	18	93	19
Tax on profit on ordinary activity				
- Current Tax	(100)	(20)	(87)	(17)
- Deferred Tax	<u>7</u>	<u>1</u>	<u>-</u>	<u>-</u>
	<u>(93)</u>	<u>(19)</u>	<u>(87)</u>	<u>(17)</u>