

Enfield Norse Limited

Private limited with Share Capital

Company No : **06833446**

Registered Address:

**280 Fifers Lane
Norwich
Norfolk**

NR6 6EQ

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Grant Thornton

Financial Statements Enfield Norse Limited

For the period from 2 March 2009 to 31 January 2010

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COMPANIES HOUSE

Company No 06833446

Company Information

Company registration number	06833446
Registered office	280 Fifers Lane Norwich Norfolk NR6 6EQ
Directors	P M Hawes J Rolfe R Metcalf A M Staines A Georgiou
Secretary	A J Merncks
Bankers	Co-operative Bank Olympic House 6 Olympic Court Salford M5 2QP
Auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor Kingfisher House 1 Gilders Way St James Place Norwich NR3 1UB

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Report of the directors

The directors present their report and the financial statements of the company for the period to 31 January 2010

Principal activity and business review

The principal activity of the company is that of cleansing services. The Company was incorporated on 2 March 2009 and began trading on 1 May 2009.

Overview

The company works largely for London Borough of Enfield, and continues to work in partnership with them to deliver improved cleansing services.

Outlook

The company has a long term contract with London Borough of Enfield covering the bulk of its work, and continues to develop its cleansing services business.

Key performance indicators

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

The key financial performance indicators (KPI's) are turnover, gross profit and margin, net profit and margin. The key non financial performance indicator is the average number of employees. The KPI's for the period to 31 January 2010 are as follows:

	2010
Turnover (£)	2,782,666
Gross profit (£)	503,469
Gross profit margin (%)	18.09%
Net profit (£)	83
Net profit margin (%)	0.00%
Average number of employees	330

Results and dividends

The loss for the financial period amounted to £5,662. The directors have not recommended a dividend.

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 this risk include the preparation of profit and cash flow forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the requirements of the business. Trade debtors are closely monitored to keep the risk of bad debts to a minimum level.

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.

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.

Directors

The directors who served the company during the period were as follows:

P M Hawes (appointed 2 March 2009)
J Rolfe (appointed 1 May 2009)
Mrs R Metcalf (appointed 1 May 2009)
E Hurer (appointed 1 December 2009)
A M Staines (appointed 30 October 2009)

Subsequent to the year end E Hurer resigned as a director on 26 May 2010 and A Georgiou was appointed as a director on the same date.

The company maintains liability insurance for its directors and officers. The directors and officers have also been granted a qualifying third party provision under section 234 of the Companies Act 2006. 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.

Policy on the payment of creditors

The company endeavours to pay all invoices by the end of the month following the month of invoice.

Statement of directors' responsibilities

The directors are responsible for preparing the report of the directors 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 estimates that are reasonable and prudent,
- state whether applicable UK 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 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

In so far as each of the directors is aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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 retrain 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

Employee involvement

The company keeps 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

Auditor

Grant Thornton UK LLP were appointed as auditors on 15 March 2010

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'A Merricks', written over a vertical line that extends downwards to the name below.

A Merricks
Secretary
16 June 2010

Independent auditor's report to the members of Enfield Norse Limited

We have audited the financial statements of Enfield Norse Limited for the period ended 31 January 2010 which comprise the accounting policies, profit and loss account, the balance sheet, cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the statement of director's responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 January 2010 and of its loss for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors' for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Enfield Norse Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

Grant Thornton UK LLP

Patrick Harris
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
NORWICH

16.6.2010

Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and under the historical cost convention

The principal accounting policies are set out below

Going concern

The company's business activities and factors likely to affect future development, are set out in the report of the directors. The company meets its day to day working capital requirements through support from Norse Commercial Services Limited, a joint venture partner. A letter of support has been received which indicates its on-going support.

Based on the above, the directors have concluded that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and as a result they conclude that it is appropriate to continue adopting the going concern basis in preparing these financial statements.

Turnover

Turnover represents the amount derived from the provision of services, excluding VAT and trade discounts, charged on an accruals basis and recognised to the extent that the company has obtained the right to consideration through its performance.

In the case of long term contracts, turnover reflects the contract activity during the period and represents the proportion of total contract value which costs incurred to date bear to total expected contract costs.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & machinery - 10% straight line

Pension costs and other post-retirement benefits

The contributions to the company pension scheme have been treated as a defined contribution scheme, despite the members being part of the London Borough of Enfield pension fund defined benefit 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 London Borough of Enfield.

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised on all timing differences where the transactions or events that give an obligation to pay more tax, or a right to pay less tax, in the future, have occurred but not reversed by the balance sheet date.

Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date and is not discounted.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	Period to 31 Jan 10 £
Turnover	1	2,782,666
Cost of sales		<u>(2,279,197)</u>
Gross profit		503,469
Other operating charges	2	<u>(503,386)</u>
Operating profit	3	83
Profit on ordinary activity before taxation		83
Tax on profit on ordinary activity	5	<u>(5,745)</u>
Loss for the financial period	14	<u>(5,662)</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the period as set out above

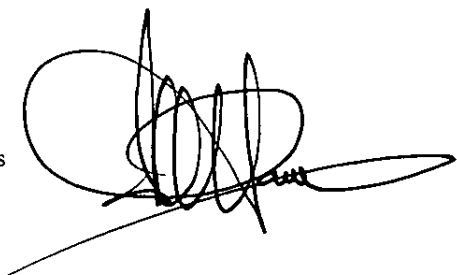
The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	31 Jan 10 £
Fixed assets		
Tangible assets	6	8,349
Current assets		
Debtors	7	440,665
Cash at bank		517,961
		<u>958,626</u>
Creditors amounts falling due within one year	8	<u>(971,943)</u>
Net current liabilities		<u>(13,317)</u>
Total assets less current liabilities		<u>(4,968)</u>
Provision for liabilities		<u>(684)</u>
Net liabilities		<u><u>(5,652)</u></u>
Capital and reserves		
Called-up equity share capital	13	10
Profit and loss account	14	(5,662)
Equity shareholder's deficit	15	<u><u>(5,652)</u></u>

These financial statements were approved by the directors, signed and authorised for issue on 16 June 2010

P M Hawes
Director



The accompanying accounting policies and notes form part of these financial statements.

Cash flow statement

	Note	Period to 31 Jan 10 £
Net cash inflow from operating activity	16	526,701
Capital expenditure		
Payments to acquire tangible fixed assets		(8,750)
Financing		
Issue of new shares		10
Increase in cash in the period	16	<u>517,961</u>

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Turnover

Turnover which took place in the UK, is attributable to the following class of business

	Period to 31 Jan 10 £
Cleansing services	<u>2,782,666</u>

2 Other operating charges

	Period to 31 Jan 10 £
Administrative expenses	<u>503,386</u>

3 Operating profit

Operating profit is stated after charging

	Period to 31 Jan 10 £
Auditor's remuneration	
Audit fees	2,000
Non audit fees - tax compliance	2,130
Depreciation of owned assets	<u>401</u>

4 Particulars of employees and directors remuneration

The average number of staff employed by the company during the financial period amounted to

	Period to 31 Jan 10 Number
Production staff	322
Administrative staff	8
	<u>330</u>

The aggregate payroll costs of the above were

	Period to 31 Jan 10 £
Wages and salaries	2,129,982
Social security costs	83,951
Other pension costs	176,403
	<u>2,390,336</u>

Remuneration in respect of directors was as follows

	Period to 31 Jan 10 £
Emoluments receivable	39,143
Contributions to pension schemes	8,955
	<u>48,098</u>

The number of directors who accrued benefits under pension schemes was as follows

	Period to 31 Jan 10 No
Defined contribution schemes	1
Defined benefit schemes	<u>1</u>

5 Taxation on profit on ordinary activity

(a) Analysis of charge in the period

	Period to 31 Jan 10 £
Current tax	
In respect of the period	
UK Corporation tax based on the results for the period at 28%	5,061
Total current tax (note 5(b))	<u>5,061</u>
Deferred tax	
Origination and reversal of timing differences (note 9)	684
Tax on profit on ordinary activity	<u>5,745</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activity for the period is higher than the standard rate of corporation tax in the UK of 28%

	Period to 31 Jan 10 £
Profit on ordinary activity before taxation - expected charge	<u>83</u>
Profit on ordinary activity by rate of tax	23
Expenses not deductible for tax purposes	6,543
Capital allowances for period in excess of depreciation	(990)
Small companies relief	(515)
Total current tax (note 5(a))	<u>5,061</u>

6 Tangible fixed assets

	Plant & machinery £
Cost	
Additions	8,750
At 31 January 2010	<u>8,750</u>
Depreciation	
Charge for the period	401
At 31 January 2010	<u>401</u>
Net book value at 31 January 2010	<u>8,349</u>

7 Debtors

	31 Jan 10
	£
Trade debtors	439,307
Other debtors	1,330
Prepayments and accrued income	28
	<u>440,665</u>

8 Creditors: amounts falling due within one year

	31 Jan 10
	£
Trade creditors	54,086
Amounts owed to group undertakings (note 12)	808,557
Corporation tax	5,061
Other taxation and social security	29,829
Other creditors	66,337
Accruals and deferred income	8,073
	<u>971,943</u>

9 Deferred taxation

The movement in the deferred taxation balance during the period was

	Period to
	31 Jan 10
	£
Profit and loss account movement arising during the period (note 5)	684
Liability carried forward	<u>684</u>

The asset for deferred taxation consists of the tax effect of timing differences in respect of

	31 Jan 10
	£
Excess of taxation allowances over depreciation on fixed assets	<u>684</u>

10 Pension commitments

The pension cost represents contributions payable by the company to the scheme and amounted to £176,403 Outstanding contributions amounted to £22,274 and are included within other creditors

11 Contingencies

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 period end amounted to £610,874

12 Related party transactions

The company had the following transactions and balances in the normal course of trade with related parties within the Norfolk County Council and subsidiaries group and London Borough of Enfield

2010	Sales £	Purchases £	Debtor £	Creditor £
Norse Commercial Services Limited	-	132,878	-	808,577
London Borough of Enfield	<u>947,191</u>	<u>150,067</u>	<u>18,249</u>	<u>48,959</u>

13 Share capital

Authorised share capital

	31 Jan 10
	£
6 Ordinary 'A' shares of £1 each	6
4 Ordinary 'B' shares of £1 each	4
Allotted, called up and fully paid	<u>10</u>

Allotted, called up and fully paid

	31 Jan 10	
	No	£
Ordinary 'A' shares of £1 each	6	6
Ordinary 'B' shares of £1 each	4	4
	<u>10</u>	<u>10</u>

The company issued 6 Ordinary 'A' Shares and 4 Ordinary 'B' Shares on incorporation All shares were issued at par value

14 Profit and loss account

	Period to
	31 Jan 10
	£
Loss for the financial period	(5,662)
Balance carried forward	<u>(5,662)</u>

15 Reconciliation of movements in equity shareholder's deficit

	31 Jan 10
	£
Loss for the financial period	(5,662)
Issue of share capital	10
	<u>(5,652)</u>

16 Notes to the statement of cash flows

Reconciliation of operating profit to net cash inflow from operating activities

	Period to
	31 Jan 10
	£
Operating profit	83
Depreciation	401
Increase in debtors	(440,665)
Increase in creditors	966,882
	<u>526,701</u>

Reconciliation of net cash flow to movement in net funds

	Period to
	31 Jan 10
	£
Increase in cash in the period	517,961
Change in net funds resulting from cash flows	517,961
	<u>517,961</u>

Analysis of changes in net debt

	At		At 31 Jan
	2 March	Cash flows	2010
	2009		2010
	£	£	£
Net cash			
Cash in hand and at bank	-	517,961	517,961
	<u>-</u>	<u>517,961</u>	<u>517,961</u>
Net funds	<u>-</u>	<u>517,961</u>	<u>517,961</u>

17 Parent undertakings

The company is a joint venture operation between Norse Commercial Services Limited and London Borough of Enfield Council. Although Norse Commercial Services own 60% of the issued share capital, both parties share equal voting rights and have equal rights to assets upon winding up. Accordingly, it is deemed that no party has overall control of the company.