

Suffolk Coastal Services Limited

Private limited with Share Capital

Company No : **05124558**

Registered Address:

**280 Fifers Lane
Norwich
Norfolk**

NR6 6EQ

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Financial Statements Suffolk Coastal Services Limited

For the period from 2 February 2009 to 31 January 2010

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Company No. 05124558

Company information

Company registration number	05124558
Registered office	280 Fifers Lane Norwich Norfolk NR6 6EQ
Directors	P M Hawes A T Williams A J Nunn S Baker D M Ball
Secretary	A J Merricks
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 from 2 February 2009 to 31 January 2010

Principal activity and business review

The principal activity of the company during the period was that of the provision of refuse, cleansing and maintenance services

Overview

The company continued to work largely for Suffolk Coastal District Council, and continues to work in partnership with them to deliver improved refuse and environmental services in the area

The figures in this report have been significantly affected by the application of Financial Reporting Standard 17. The board believes that in order to gain a true reflection and appreciation of the company's trading activities, the financial key performance indicators ("KPI's") discussed below should be stated before the impact of FRS 17

Prior to FRS 17 Pension adjustments the company made an operating profit of £188,127 (2009 £145,496)

Outlook

The company continues to develop its working relationship with the Port of Felixstowe and Suffolk Fire and Rescue Service, and to expand its customer base. Despite financial pressures, turnover with the principal client remains at anticipated levels

Key performance indicators

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

The key financial performance indicators are turnover, gross profit and margin and net profit and margin. The key non-financial performance indicator is the average number of employees employed by the company. The KPI's for the period to 31 January 2010 together with comparatives for the period to 1 February 2009 are as follows

	2010	2009
Turnover	£10,135,359	£8,954,552
Gross profit	£2,264,532	£1,650,990
Gross profit margin	22.34%	18.44%
Net profit before tax	£188,127	£145,496
Net profit margin	1.86%	1.62%
Average number of employees	231	219

FRS 17 pension adjustment represents the difference between employer contributions paid (£419,000) and the pension cost charged to operating profit (£397,000) plus the net finance charge within interest payable (£126,000)

Results and dividends

The profit for the financial period amounted to £63,376 (2009 loss of £4,916) The directors have not recommended a dividend

Financial risk management objectives and policies

In common with every other business, 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 and ensuring that adequate financing facilities are in place to meet the requirements of the business Trade debtors are also 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
A T Williams
A J Nunn (appointed 1 December 2009)
S Baker (appointed 1 December 2009)
D M Ball (appointed 1 December 2009)

Suffolk Coastal Services Limited is an 80% subsidiary of Norse Commercial Services Limited The ultimate controlling party is Norfolk County Council

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 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 the 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 has continued the Council's 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.

BY ORDER OF THE BOARD



A J Merricks
Secretary
16 June 2010



Independent auditor's report to the members of Suffolk Coastal Services Limited

We have audited the financial statements of Suffolk Coastal Services Limited for the period ended 31 January 2010 which comprise the profit and loss account, the balance sheet, cash flow statement, statement of total recognised gains and losses 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 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 directors 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 profit 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 Suffolk Coastal Services 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



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 financial statements have been prepared on the going concern basis, notwithstanding the deficit on shareholders funds. The deficit arises on the inclusion of the pension fund liability which is a long term liability and, as such, does not affect the ability of the company to pay its short term liabilities

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 value added tax 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

Fixtures & fittings - 10% per annum

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the lease term

Pension costs and other post-retirement benefits

The amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until the vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the company, in a separate trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are prepared on a triennial basis and are updated annually. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet. Further details regarding the company pension scheme are contained in note 12 to the financial statements.

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 in the future, or a right to pay less tax in the future, have occurred but have 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 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

		Period from 2 Feb 09 to 31 Jan 10	Period from 28 Jan 08 to 1 Feb 09
	Note	£	£
Turnover	1	10,135,359	8,954,552
Cost of sales		<u>(7,848,827)</u>	<u>(7,486,562)</u>
Gross profit		2,286,532	1,467,990
Other operating charges	2	<u>(2,076,405)</u>	<u>(1,505,494)</u>
Operating profit/(loss)	3	210,127	(37,504)
Interest (payable)/receivable	5	<u>(126,000)</u>	<u>15,000</u>
Profit/(loss) on ordinary activity before taxation		84,127	(22,504)
Tax on profit/(loss) on ordinary activity	6	<u>(20,751)</u>	17,588
Profit/(loss) for the financial period	16	<u>63,376</u>	<u>(4,916)</u>

All of the activities of the company are classed as continuing

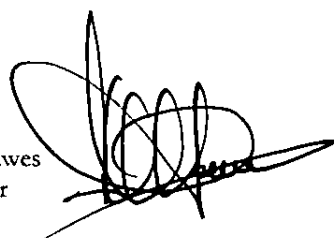
The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	31 Jan 10 £	1 Feb 09 £
Fixed assets			
Tangible assets	7	<u>6,995</u>	<u>8,873</u>
Current assets			
Stocks	8	108,813	53,552
Debtors	9	2,165,523	1,775,648
Cash at bank		<u>2,625</u>	<u>1,955</u>
		<u>2,276,961</u>	<u>1,831,155</u>
Creditors' amounts falling due within one year	10	<u>(1,858,183)</u>	<u>(1,552,519)</u>
Net current assets		<u>418,778</u>	<u>278,636</u>
Total assets less current liabilities		<u>425,773</u>	<u>287,509</u>
Defined benefit pension scheme liability	12	<u>(1,733,040)</u>	<u>(1,172,160)</u>
Net liabilities including pension liability		<u>(1,307,267)</u>	<u>(884,651)</u>
Capital and reserves			
Called-up equity share capital	15	10	2
Profit and loss account	16	<u>(1,307,277)</u>	<u>(884,653)</u>
Equity shareholder's deficit	17	<u>(1,307,267)</u>	<u>(884,651)</u>

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

P M Hawes
 Director



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

Cash flow statement

		Period from 2 Feb 09 to 31 Jan 10	Period from 28 Jan 08 to 1 Feb 09
	Note	£	£
Net cash inflow from operating activity	18	39,743	35,786
Taxation paid	18	(39,081)	(43,738)
Cash inflow/(outflow) before financing		<u>662</u>	<u>(7,952)</u>
Financing			
Issue of new shares		8	-
Increase/(decrease) in cash	18	<u>670</u>	<u>(7,952)</u>

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

Other primary statement

Statement of total recognised gains and losses

	Period from 2 Feb 09 to 31 Jan 10 £	Period from 28 Jan 08 to 1 Feb 09 £
Profit/(loss) for the financial period	63,376	(4,916)
Actuarial loss in respect of defined benefit pension scheme	(675,000)	(1,107,000)
Deferred tax credit in respect of defined benefit pension scheme	189,000	309,960
Total gain and losses recognised for the period	(422,624)	(801,956)

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 from 2 Feb 09 to 31 Jan 10 £	Period from 28 Jan 08 to 1 Feb 09 £
Refuse, cleansing and maintenance services	<u>10,135,359</u>	<u>8,954,552</u>

2 Other operating charges

	Period from 2 Feb 09 to 31 Jan 10 £	Period from 28 Jan 08 to 1 Feb 09 £
Administrative expenses	<u>2,076,405</u>	<u>1,505,494</u>

3 Operating profit/(loss)

Operating profit/(loss) is stated after charging

	Period from 2 Feb 09 to 31 Jan 10 £	Period from 28 Jan 08 to 1 Feb 09 £
Depreciation of owned fixed assets	1,878	1,565
Auditor's remuneration		
Audit fees	4,800	4,700
Other fees - taxation compliance	2,130	2,000
Other fees - accountancy services	900	1,120
Plant and equipment hire charges	<u>393,440</u>	<u>88,298</u>

4 Directors and employees

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

	Period from 2 Feb 09 to 31 Jan 10 Number	Period from 28 Jan 08 to 1 Feb 09 Number
Production staff	204	194
Administrative staff	27	25
	<u>231</u>	<u>219</u>

The aggregate payroll costs of the above were

	Period from 2 Feb 09 to 31 Jan 10 £	Period from 28 Jan 08 to 1 Feb 09 £
Wages and salaries	4,085,463	3,655,961
Social security costs	283,571	260,563
Other pension costs (note 12)	397,000	564,000
	<u>4,766,034</u>	<u>4,480,524</u>

Other pension costs are amounts charged to operating profit and do not include amounts charged to finance income (see note 5) and amounts recognised in the statement of recognised gains and losses

No directors received remuneration from the company during the period (2009 - Nil)

Retirement benefits are accruing to one (2009 - one) director under a group defined benefit scheme

5 Interest (payable)/receivable

	Period from 2 Feb 09 to 31 Jan 10 £	Period from 28 Jan 08 to 1 Feb 09 £
Net finance (charges)/income in respect of defined benefit pension scheme	<u>(126,000)</u>	<u>15,000</u>
	<u>(126,000)</u>	<u>15,000</u>

6 Tax on profit/(loss) on ordinary activity

(a) Analysis of charge/(credit) in the period

	Period from 2 Feb 09 to 31 Jan 10 £	Period from 28 Jan 08 to 1 Feb 09 £
Current tax		
In respect of the period		
UK Corporation tax based on the results for the period at 28%	56,696	48,024
(Over)/under provision in prior periods	<u>(8,943)</u>	<u>11,306</u>
Total current tax (note 6(b))	47,753	59,330
Deferred tax		
In respect of defined benefit pension scheme (note 11)	(29,120)	(47,040)
Origination and reversal of timing differences (note 11)	(4,569)	(6,641)
Adjustments in relation to prior periods (note 11)	<u>6,687</u>	<u>(23,237)</u>
Total deferred tax	(27,002)	(76,918)
Tax on profit/(loss) on ordinary activity	<u>20,751</u>	<u>(17,588)</u>

(b) Factors affecting current tax charge

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

	Period from 2 Feb 09 to 31 Jan 10 £	Period from 28 Jan 08 to 1 Feb 09 £
Profit/(loss) on ordinary activity before taxation	<u>84,127</u>	<u>(22,504)</u>
Profit/(loss) on ordinary activity by rate of tax	23,556	(6,301)
Expenses not deductible for tax purposes	11,332	14,513
Capital allowances for period in excess of depreciation	(7,312)	(7,784)
Tax chargeable at higher rates	-	556
Adjustments to tax charge in respect of previous periods	(8,943)	11,306
Pension fund timing difference	<u>29,120</u>	<u>47,040</u>
Total current tax (note 6(a))	<u>47,753</u>	<u>59,330</u>

7 Tangible fixed assets

	Fixtures & fittings £
Cost	
At 2 February 2009 and 31 January 2010	<u>17,945</u>
Depreciation	
At 2 February 2009	9,072
Charge for the period	1,878
At 31 January 2010	<u>10,950</u>
Net book value	
At 31 January 2010	<u>6,995</u>
At 1 February 2009	<u>8,873</u>

8 Stocks

	31 Jan 10 £	1 Feb 09 £
Raw materials	108,813	51,648
Work in progress	-	1,904
	<u>108,813</u>	<u>53,552</u>

9 Debtors

	31 Jan 10 £	1 Feb 09 £
Trade debtors	448,970	979,014
Amounts owed by group undertakings (note 14)	1,538,448	617,835
Other debtors	2	642
Deferred tax asset (note 11)	27,000	29,118
Prepayments and accrued income	151,103	149,039
	<u>2,165,523</u>	<u>1,775,648</u>

10 Creditors: amounts falling due within one year

	31 Jan 10 £	1 Feb 09 £
Trade creditors	524,747	258,058
Amounts owed to group undertakings (note 14)	77,630	41,674
Corporation tax	56,696	48,024
Other taxation and social security	95,459	89,996
Other creditors	2,480	2,197
Accruals and deferred income	1,101,171	1,112,570
	<u>1,858,183</u>	<u>1,552,519</u>

11 Deferred taxation

The movement in the deferred taxation balance during the period was

	Period from 2 Feb 09 to 31 Jan 10 £	Period from 28 Jan 08 to 1 Feb 09 £
(Asset)/provision brought forward	(29,118)	760
Profit and loss account movement arising during the period (note 6)	(4,569)	(6,641)
Adjustments relating to prior period (note 6)	6,687	(23,237)
Asset carried forward (note 9)	<u>(27,000)</u>	<u>(29,118)</u>

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

	31 Jan 10 £	1 Feb 09 £
Difference between taxation allowances and depreciation on fixed assets	<u>(27,000)</u>	<u>(29,118)</u>

The deferred tax asset relating to the pension deficit is as follows

	31 Jan 10 £	1 Feb 09 £
Asset brought forward	455,840	98,840
Credit to the profit and loss account	29,120	47,040
Movement in statement of total recognised gains and losses	189,000	309,960
Asset carried forward	<u><u>673,960</u></u>	<u><u>455,840</u></u>

12 Pension commitments

The calculations for FRS 17 disclosures are based on a full actuarial valuation of the scheme as at 31 March 2007 updated to 31 January 2010 by a qualified independent actuary

The main assumptions used by the actuary to calculate scheme liabilities of the company under FRS 17 were

	2010 %	2009 %	2008 %
Rate of increase in salaries	4.0	5.1	5.1
Rate of increase in pensions in payment	3.5	3.6	3.6
Discount rate	5.5	6.9	6.3
Inflation assumption	3.5	3.6	3.6

The post retirement mortality assumptions used to value the benefit obligation at the year end are based on the PFA92 and PMA92 tables, projected to calendar year 2033 for non-pensioners and 2017 for pensioners

The actual return on scheme assets in the year was a gain of £1,319,000 (2009 loss of £1,675,000)

The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting deficit are

		2010		2009		2008
	Long-term rate of return expected %	Value £	Long-term rate of return expected %	Value £	Long-term rate of return expected %	Value £
Equities	7.7	5,641,000	7.5	4,335,000	7.6	5,382,000
Bonds	5.0	1,586,000	5.7	1,492,000	5.3	1,522,000
Property	5.7	969,000	5.5	853,000	5.6	1,200,000
Cash	4.8	617,000	4.0	426,000	4.7	336,000
Total market value of assets		8,813,000		7,106,000		8,440,000
Present value of scheme liabilities		(11,220,000)		(8,734,000)		(8,793,000)
Deficit in the scheme		(2,407,000)		(1,628,000)		(353,000)
Related deferred tax asset		673,960		455,840		98,840
Net pension liability		<u>(1,733,040)</u>		<u>(1,172,160)</u>		<u>(254,160)</u>

12 Pension commitments (continued)

An analysis of the movements in deficit during the period are shown below

	31 Jan 10 £	1 Feb 09 £
At beginning of the period	(1,628,000)	(353,000)
Total operating charge	(397,000)	(564,000)
Total finance (charge)/income	(126,000)	15,000
Actuarial loss	(675,000)	(1,107,000)
Contributions	419,000	381,000
At end of the period	<u>(2,407,000)</u>	<u>(1,628,000)</u>

An analysis of the defined benefit cost follows

Analysis of the amount charged to operating profit

	31 Jan 10 £	1 Feb 09 £
Current service cost	(376,000)	(420,000)
Past service cost	(21,000)	(144,000)
Total operating charge	<u>(397,000)</u>	<u>(564,000)</u>

Analysis of the amount (charged)/ credited to finance (costs)/ income

	31 Jan 10 £	1 Feb 09 £
Expected return on pension scheme assets	489,000	585,000
Interest on pension scheme liabilities	(615,000)	(570,000)
Net finance (charge)/income	<u>(126,000)</u>	<u>15,000</u>

Analysis of the amount recognised in statement of total recognised gains and losses

	31 Jan 10 £	1 Feb 09 £
Actual return less expected return on pension scheme assets	830,000	(2,260,000)
Experience gains arising on scheme liabilities	-	333,000
(Loss)/gain arising from changes in assumptions underlying the present value of scheme liabilities	<u>(1,505,000)</u>	820,000
Actuarial loss	<u>(675,000)</u>	<u>(1,107,000)</u>

12 Pension commitments (continued)

A five year history of experience gains and losses is shown below

	2010	2009	2008	2007	2006
Difference between the expected and actual return on scheme assets					
- amount (£)	830,000	(2,260,000)	(640,000)	142,000	448,000
- % of scheme assets	9	(32)	(8)	2	6
Experience (losses)/gains on scheme liabilities					
- amount (£)	-	333,000	(630,000)	2,000	(187,000)
- % of the present value of scheme liabilities	-	4	(7)	-	(2)
Changes in assumptions underlying the present value of the scheme liabilities					
- amount (£)	(1,505,000)	820,000	(1,090,000)	988,000	(1,516,000)
- % of the present value of scheme liabilities	(13)	9	(12)	12	(19)
Total amount recognised in statement of total recognised gains and losses					
- amount (£)	(675,000)	(1,107,000)	(180,000)	1,132,000	(1,255,000)
- % of the present value of scheme liabilities	(6)	(13)	(2)	14	(15)

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses at 31 January 2010 was a net loss of £2,098,000 (2009 £1,423,000)

Analysis of changes in the value of the scheme assets during the period

	31 Jan 10 £	1 Feb 09 £
Market value of scheme assets at the beginning of the period	7,106,000	8,440,000
Expected return on scheme assets	489,000	585,000
Actuarial gain/(losses)	830,000	(2,260,000)
Employer contributions	419,000	381,000
Member contributions	159,000	145,000
Benefits paid	(190,000)	(185,000)
	<hr/>	<hr/>
Market value of the scheme assets at the end of the period	8,813,000	7,106,000
	<hr/> <hr/>	<hr/> <hr/>

12 Pension commitments (continued)*Analysis of changes in the value of the scheme liabilities during the period*

	31 Jan 10 £	1 Feb 09 £
Value of scheme liabilities at the start of the period	8,734,000	8,793,000
Total operating charge	397,000	564,000
Interest cost	615,000	570,000
Member contributions	159,000	145,000
Benefits paid	(190,000)	(185,000)
Actuarial losses/(gains)	1,505,000	(1,153,000)
	<u>11,220,000</u>	<u>8,734,000</u>

Five year history of scheme assets, liabilities and net deficit position

	2010 £'000	2009 £'000	2008 £'000	2007 £'000	2006 £'000
Market value of plan assets at start of period	8,813	7,106	8,440	8,012	6,960
Present value of scheme liabilities at end of period	(11,220)	(8,734)	(8,793)	(8,162)	(8,155)
	<u>(2,407)</u>	<u>(1,628)</u>	<u>(353)</u>	<u>(150)</u>	<u>(1,195)</u>

Future funding obligation

The directors estimate that contributions of approximately £430,000 (2009 £395,000) will be paid in the year to 31 January 2011

13 Commitments under operating leases

At 31 January 2010 the company had annual commitments under non-cancellable operating leases as set out below

	Assets other than land & buildings	
	31 Jan 10	1 Feb 09
	£	£
Operating leases which expire		
Within 2 to 5 years	88,299	92,643
Over 5 years	231,123	-
	<u>319,422</u>	<u>92,643</u>

14 Related party transactions

During the period the company had the following transactions in the normal course of trade with the following entities within the Norfolk County Council and subsidiaries group and Suffolk Coastal District Council being the minority shareholder

	Sales	Purchases	Debtor	Creditor
	£	£	£	£
2010				
Norse Commercial Services Limited	-	562,674	1,423,987	-
NPS Property Consultants Limited	110,092	-	26,162	-
NPS South East Limited	5,020	-	-	-
Norfolk Environmental Waste Services Limited	-	-	-	77,630
Norfolk County Services Transport	88,299	-	88,299	-
Suffolk Coastal District Council	<u>6,960,562</u>	<u>-</u>	<u>33,500</u>	<u>-</u>
2009				
	Sales	Purchases	Debtor	Creditor
	£	£	£	£
Norse Commercial Services Limited	-	-	578,933	-
Suffolk Coastal District Council	7,501,536	-	563,297	8,009
NPS Property Consultants Limited	143,167	-	38,902	-
Norfolk Environmental Waste Services Limited	-	-	-	<u>41,674</u>

The balance owed to Norfolk Environmental Waste Services Limited at the year end relates to the surrender of tax losses

15 Share capital

Authorised share capital

	31 Jan 10	1 Feb 09
	£	£
8 (2009 2) Ordinary 'A' shares of £1 each	8	2
2 Ordinary 'B' shares of £1 each	2	-
	<u>10</u>	<u>2</u>

15 Share capital (continued)

Allotted, called up and fully paid

	31 Jan 10		1 Feb 09	
	No	£	No	£
8 Ordinary 'A' shares of £1 each	8	8	2	2
2 Ordinary 'B' shares of £1 each	2	2	-	-
	<u>10</u>	<u>10</u>	<u>2</u>	<u>2</u>

The company increased its authorised share capital on 10 October 2009 and issued a further 6 Ordinary 'A' Shares and 2 Ordinary 'B' Shares on the same date. All shares were issued at par value. The shares were issued to provide Suffolk Coastal District Council with a minority interest in the shares of the company.

Upon an obligatory transfer event, the value of the 'A' shares shall be the fair value of the shares as determined by an expert whereas 'B' shares can be sold for nominal value.

16 Profit and loss account

	31 Jan 10	1 Feb 09
	£	£
Balance brought forward	(884,653)	(82,697)
Profit/(loss) for the financial period	63,376	(4,916)
Actuarial loss in respect of the defined benefit scheme	(486,000)	(797,040)
Balance carried forward	<u>(1,307,277)</u>	<u>(884,653)</u>

17 Reconciliation of movements in shareholder's deficit

	31 Jan 10	1 Feb 09
	£	£
Profit/(loss) for the financial period	63,376	(4,916)
Actuarial loss in respect of the defined benefit scheme	(486,000)	(797,040)
Issue of new shares	8	-
Net increase to shareholder's deficit	<u>(422,616)</u>	<u>(801,956)</u>
Opening shareholder's deficit	<u>(884,651)</u>	<u>(82,695)</u>
Closing shareholder's deficit	<u>(1,307,267)</u>	<u>(884,651)</u>

18 Notes to the statement of cash flows

Reconciliation of operating profit/(loss) to net cash inflow from operating activity

	Period from 2 Feb 09 to 31 Jan 10 £	Period from 28 Jan 08 to 1 Feb 09 £
Operating profit/(loss)	210,127	(37,504)
Depreciation	1,878	1,565
(Increase)/decrease in stocks	(55,261)	6,126
Increase in debtors	(391,993)	(418,411)
Increase in creditors	296,992	301,010
Provision for service cost of defined benefit pension scheme	397,000	564,000
Defined benefit pension scheme contributions paid	(419,000)	(381,000)
Net cash inflow from operating activity	<u>39,743</u>	<u>35,786</u>

Taxation

	31 Jan 10 £	1 Feb 09 £
Taxation paid	<u>39,081</u>	<u>43,738</u>

Reconciliation of net cash flow to movement in net funds

	31 Jan 10 £	1 Feb 09 £
Increase/(decrease) in cash in the period	670	(7,952)
Net funds at beginning of period	<u>1,955</u>	<u>9,907</u>
Net funds at end of period	<u>2,625</u>	<u>1,955</u>

Analysis of changes in net debt

	At 2 Feb 2009 £	Cash flows £	At 1 Feb 2010 £
Net cash			
Cash in hand and at bank	1,955	670	2,625
Net funds	<u>1,955</u>	<u>670</u>	<u>2,625</u>

19 Contingencies

The company is part of a Norse Commercial Services Limited 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 amounted to £610,874 (2009 £1,448,026)

20 Parent undertakings

The immediate parent undertaking is Norse Commercial Services Limited and consolidated financial statements for this group are available from Companies House, Cardiff, CF4 3UZ

The ultimate parent undertaking is Norse Group Limited and consolidated financial statements for this group are available from Companies House, Cardiff, CF4 3UZ

The company's ultimate controlling party is Norfolk County Council by virtue of its ownership of 100% of the ordinary share capital of Norse Group Limited