

Registered number: 02888194

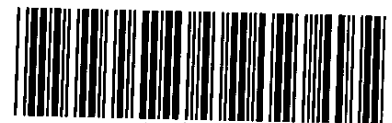
## NPS PROPERTY CONSULTANTS LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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**NPS PROPERTY CONSULTANTS LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	D T Wetteland N E Frogbrook F McDiarmid A J Proctor
<b>COMPANY SECRETARY</b>	S A McWilliam
<b>REGISTERED NUMBER</b>	02888194
<b>REGISTERED OFFICE</b>	280 Fifers Lane Norwich Norfolk NR6 6EQ
<b>BANKERS</b>	Barclays Bank Plc 5/7 Red Lion Street Norwich Norfolk NR1 3QH
<b>SOLICITORS</b>	nplaw Norfolk County Council County Hall Martineau Lane Norwich Norfolk NR1 2DH

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**NPS PROPERTY CONSULTANTS LIMITED**

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## **NPS PROPERTY CONSULTANTS LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020**

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The directors present their report and the financial statements for the year ended 31 March 2020.

#### **PRINCIPAL ACTIVITY**

The principal activities of the company are that of professional property consultancy services.

#### **RESULTS AND DIVIDENDS**

The profit for the financial year, amounted to £1,482,849 (2019 -£335,653). The net liabilities of the company as at 31 March 2020 are £9,551,175 (31 March 2019 - net liabilities of £10,891,228).

The directors have not recommended a dividend for the year (2019 - £nil).

#### **DIRECTORS**

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

D T Wetteland  
N E Frogbrook (appointed 17 February 2020)  
F McDiarmid  
A J Proctor (appointed 13 August 2019)  
A D Jamieson (resigned 1 July 2019)  
K E Knight (resigned 31 January 2020)

#### **QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

The company maintained liability insurance for its directors and officers throughout the year and up to the date of signing the financial statements. 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 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**

The directors believe that the company has adequate resources and will have available to it sufficient future funding to enable it to continue in operational existence for the foreseeable future. Accordingly, it remains appropriate to prepare the financial statements on a going concern basis.

#### **MATTERS COVERED IN THE STRATEGIC REPORT**

The following sections which have previously been included within the Directors' report are now included within the Strategic report; Business review and future developments, Principal risks and uncertainties, Financial risk management objectives and policies and Key performance indicators.

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**NPS PROPERTY CONSULTANTS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

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**POST BALANCE SHEET EVENTS**

On the 19 November 2020, Norse Consulting Group Limited, a fellow subsidiary of the group, acquired 100% of the ordinary shares in the company from Norse Group Limited via a share for share exchange. Following this change in ownership, 10,000,000 ordinary shares were issued to Norse Consulting Group Limited for £10,000,000. Subsequently, the company undertook a reduction of its share capital, by reducing the nominal value of the shares in issue from £1 to £0.000001.

This report was approved by the board and signed on its behalf by:



**D T Wetteland**  
Director

Date: 03 February 2021

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## NPS PROPERTY CONSULTANTS LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

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#### Introduction

The directors present their strategic report for the year ended 31 March 2020.

#### Business review and future developments

The company delivers professional property consultancy services to its ultimate controlling party, Norfolk County Council. The company exceeded forecasts for the year, generating a profit before tax of £1,927,916 (2019 - £314,668). The net liabilities of the company as at 31 March 2020 are £9,551,175 (31 March 2019 - net liabilities of £10,891,228).

The company's primary client is Norfolk County Council and the company's main workload continues to be derived from that client. Although the partnership agreement is secured, the Board recognise that the workload from the arrangement is subject to variation and continued dependency on a single major client represents a business risk. To mitigate this risk in a managed way, the Board is continually looking for new opportunities, both in terms of longer-term strategic partnerships as well as one-off commissions.

During 2020, the global Covid-19 pandemic and the resulting restrictions on day-to-day activities imposed by the UK Government has had a significant impact on the UK and global economy. Whilst the longer term impact of Covid-19 will not be known for some time, the nature of the services that the company provides under long term contract arrangements, gives a good foundation for the company. In the shorter term the lock down measures taken by the Government are still expected to impact trading negatively, however the Directors expect the demand for the company's services to recover following Covid-19, although with a heightened focus on costs and margins.

#### Principal risks and uncertainties

##### Revenue and profitability

As the company deals primarily with one main customer, its performance is affected by changes in that customer's requirements. In the current economic climate it is likely that there will be reductions in the volume of work available to the company from its main customer. This has the potential to adversely affect by revenue and profitability in the future. The directors will look for opportunities to acquire other sources of work, and to review operating costs to deliver savings were possible.

##### Employees

The directors recognise the importance of the employees to the ongoing success of the company and they ensure that they are all suitably qualified to undertake their roles and responsibilities. The recruitment and retention of employees is a key company objective and once employees have been recruited, all necessary training is put into place.

##### Health & safety

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. Covid-19 has tested these procedures in earnest and the procedures have helped ensure the company has managed the developing situation appropriately. The Board maintains a strong focus on providing effective governance and oversight, and a clear commitment to achieving the highest standards.

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## **NPS PROPERTY CONSULTANTS LIMITED**

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### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020**

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#### **Financial risk management policies and objectives**

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 the adequate financing facilities are in place to meet the requirements of the business. Trade receivables 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.

#### **Interest rate risk**

The company does not have external borrowings as any required finance is provided by the parent company, Norfolk County Council. These borrowings attract interest at variable rates which are agreed at regular intervals with the parent undertaking.

#### **Liquidity risk**

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

#### **Currency risk**

The company operates solely within the UK with almost no foreign currency transactions, and as such has negligible exposure to foreign currency exchange risk.

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## NPS PROPERTY CONSULTANTS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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#### Key performance indicators

The company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial and the most significant of these are the key performance indicators (KPIs).

The key performance indicators are: revenue, gross profit and gross margin and profit before tax and profit margin. These KPIs indicate the volume of work the company has undertaken as well as the efficiency and profitability with which the work has been delivered. The key non-financial performance indicator is the average number of employees employed by the company.

	2020	2019
Revenue (£)	15,898,177	15,146,061
Gross profit (£)	5,899,854	4,863,316
Gross margin (%)	37	32
Profit before tax (£)	1,927,916	314,668
Profit margin (%)	12	2
Average number of employees (No.)	173	191

The company has seen a 5% increase in revenue to £15,898,177 (2019 - £15,146,061) due to a number of historic projects under frameworks. Revenue on these projects were dependent on securing planning permission and development partners, which have been achieved in the year enabling the company to recognise additional income of £714,474.

Gross profit has increased by £1,036,538 to £5,899,854 (2019 - £4,863,316), with gross profit increasing to 37% (2019 - 32%). This is mainly due to the additional recognised income of £714,474 on the historic projects under frameworks, which required minimal further costs to secure during the year.

Profit before tax of £1,927,916 (2019 - £314,668) has increased by £1,613,248 when compared to the prior year. This is due to both the historic projects under frameworks as well as decrease in administration expenses.

Average employee numbers have reduced by 18 to 173 (2019 - 191). This reflects the transfer of business support to Norse Commercial Services Limited which was completed towards the end of the prior year.

This report was approved by the board and signed on its behalf by:



D T Wetteland  
Director

Date: 03 February 2021



**NPS PROPERTY CONSULTANTS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Revenue	4	15,898,177	15,146,061
Cost of sales		(9,998,323)	(10,282,745)
<b>GROSS PROFIT</b>		<b>5,899,854</b>	<b>4,863,316</b>
Administrative expenses		(4,722,902)	(9,492,620)
Other operating income	5	864,008	5,117,329
<b>OPERATING PROFIT</b>	6	<b>2,040,960</b>	<b>488,025</b>
Income from participating interests		-	3,121
Interest receivable and similar income	9	27,366	183
Interest payable and similar expenses	10	(140,410)	(176,661)
<b>PROFIT BEFORE TAX</b>		<b>1,927,916</b>	<b>314,668</b>
Tax on profit	11	(445,067)	20,985
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>1,482,849</b>	<b>335,653</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 10 to 43 form an integral part of these financial statements.

**NPS PROPERTY CONSULTANTS LIMITED**  
**REGISTERED NUMBER: 02888194**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Intangible assets	12	835,833	71,611
Property, plant and equipment	13	596,789	783,687
Investments	14	1,859,058	1,859,050
		<u>3,291,680</u>	<u>2,714,348</u>
<b>CURRENT ASSETS</b>			
Inventories	15	163,641	100,873
Trade and other receivables: amounts falling due after more than one year	16	541,170	504,545
Trade and other receivables: amounts falling due within one year	16	5,398,334	5,017,993
Cash and cash equivalents	17	18,665	33
		<u>6,121,810</u>	<u>5,623,444</u>
Creditors: amounts falling due within one year	18	(15,766,542)	(16,238,947)
<b>NET CURRENT LIABILITIES</b>		<u>(9,644,732)</u>	<u>(10,615,503)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(6,353,052)</u>	<u>(7,901,155)</u>
Creditors: amounts falling due after more than one year	19	(3,198,123)	(2,965,073)
Provisions for liabilities	23	-	(25,000)
		<u>-</u>	<u>(25,000)</u>
<b>NET LIABILITIES</b>		<u>(9,551,175)</u>	<u>(10,891,228)</u>
<b>EQUITY</b>			
Called up share capital	24	2,542,968	2,542,968
Accumulated losses	25	(12,094,143)	(13,434,196)
<b>TOTAL EQUITY</b>		<u>(9,551,175)</u>	<u>(10,891,228)</u>

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**NPS PROPERTY CONSULTANTS LIMITED**  
**REGISTERED NUMBER: 02888194**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2020**

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The members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

For the year ending 31 March 2020, the company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements on pages 6 to 43 were approved and authorised for issue by the board and were signed on its behalf by:



**D T Wetteland**  
Director

Date: 03 February 2021

The notes on pages 10 to 43 form an integral part of these financial statements.

**NPS PROPERTY CONSULTANTS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Accumulated losses £	Total equity £
At 1 April 2019 (as originally presented)	2,542,968	(13,434,196)	(10,891,228)
Effect of adoption of IFRS 16, 'Leases' (note 29)	-	(142,796)	(142,796)
At 1 April 2019 (as restated)	2,542,968	(13,576,992)	(11,034,024)
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the financial year	-	1,482,849	1,482,849
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	1,482,849	1,482,849
<b>AT 31 MARCH 2020</b>	2,542,968	(12,094,143)	(9,551,175)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Accumulated losses £	Total equity £
At 1 April 2018 (as originally presented)	2,542,968	(13,831,153)	(11,288,185)
Effect of adoption of IFRS 15, 'Revenue from Contracts with Customers'	-	61,304	61,304
At 1 April 2018 (as restated)	2,542,968	(13,769,849)	(11,226,881)
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the financial year	-	335,653	335,653
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	335,653	335,653
<b>AT 31 MARCH 2019</b>	2,542,968	(13,434,196)	(10,891,228)

The notes on pages 10 to 43 form an integral part of these financial statements.

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## **NPS PROPERTY CONSULTANTS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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#### **1. General information**

The company is a private company, limited by shares, incorporated and domiciled in the UK and registered at 280 Fifers Lane, Norwich, Norfolk, NR6 6EQ. The reporting period is from 1 April 2019 to 31 March 2020.

The principal activities of the company are that of professional property consultancy services.

#### **2. Accounting policies**

The principle 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.

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under 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 where assumptions and estimates are significant to the financial statements are disclosed in note 3. The financial statements are presented in pound sterling (£).

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## **NPS PROPERTY CONSULTANTS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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## **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
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information 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;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

### **2.3 Exemption from preparing consolidated financial statements**

The company is a subsidiary of Norse Group Limited and is included within the consolidated financial statements of that company. Accordingly the company is exempt from the requirements to prepare consolidated financial statements by virtue of Section 401 of the Companies Act 2006. Consolidated financial statements for this group are available from Companies House, Cardiff, CF14 3UZ.

### **2.4 New standards, amendments and IFRIC interpretations**

IFRS 16, 'Leases', is a new accounting standard that is effective for the year ended 31 March 2020. Further information on the impact of this new accounting standards is disclosed in note 29. There are no other new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2020 have had a material impact on the company.

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## **NPS PROPERTY CONSULTANTS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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#### **2. Accounting policies (continued)**

##### **2.5 Going concern**

The directors believe that the company has adequate resources and will have available to it sufficient future funding to enable it to continue in operational existence for the foreseeable future. Accordingly, it remains appropriate to prepare the financial statements on a going concern basis.

##### **2.6 Revenue recognition**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

##### **Rendering of services**

Revenue is recognised either when the performance obligation in the contract/agreement has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer. Where contracts/agreements include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. For service contracts/agreements including a goods element, revenue for the separate good is recognised at a point in time when the good is delivered, the legal title has passed and the customer has accepted the good.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

##### **2.7 Leases**

The company has changed its accounting policy for leases where the company is the lessee. The impact of the change is shown in Note 29.

Until the 2020 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

##### **The company as a lessee**

The company leases a variety of property, vehicles and equipment. Rental contracts are typically made for fixed periods of between 18 months to 20 years but may have extension options.

The company assesses whether a contract is or contains a lease, at inception of a contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (total lease payments of less than £5,000). For these leases, the company recognises the lease payments as an operating expense, in the profit and

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## NPS PROPERTY CONSULTANTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### Leases (continued)

loss, on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand alone prices. However, for leases of real estate for which the company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for leases in the company, the company uses its incremental borrowing rate.

The incremental borrowing rate is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company:

- where possible, uses relevant third party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- makes adjustments specific to the lease, for example term, country, currency and security.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in Payables on the Statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the Statement of comprehensive income on a sum of the digits method.

The company remeasures the lease liability (and makes a corresponding adjustment to the related



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## NPS PROPERTY CONSULTANTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### Leases (continued)

right-of-use asset) whenever:

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the Intangible assets, Property, plant and equipment and Investment property, as applicable, in the Statement of financial position.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

Lease payments made under reasonably certain extension options are also included in the measurement of the liability.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The company has used this practical expedient.

Restrictions or covenants imposed by leases

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. These lease agreements do not impose any covenant other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

#### 2.8 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

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## **NPS PROPERTY CONSULTANTS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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#### **2. Accounting policies (continued)**

##### **2.9 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.10 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

##### **2.11 Pensions**

The contributions to the company pension scheme have been treated as a money purchase pension scheme, despite employees being members of the Norfolk Pension Fund, a local government pension scheme. Under the terms of the transfer agreement, actuarial risks associated with the scheme remain with Norfolk County Council. The contributions paid by the company are set in relation to the current service year only and as such the company has accounted for contributions to the scheme as if it were a defined contribution scheme.

The company also operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

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 on the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

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## NPS PROPERTY CONSULTANTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity 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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### 2.13 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the following bases:

Computer software	-	20 % straight line
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The amortisation charge for the year is included within administrative expenses.

##### 2.14 Property, plant and equipment

Property, plant and equipment under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. *Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.*

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## **NPS PROPERTY CONSULTANTS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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#### **2. Accounting policies (continued)**

##### **2.14 Property, plant and equipment (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold property	- straight line over the period of the lease
Plant and equipment	- 25% reducing balance
Computer equipment	- 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### **2.15 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in associates and joint ventures are measured at cost less accumulated impairment.

##### **2.16 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.

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

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## NPS PROPERTY CONSULTANTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.17 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets are grouped based on *shared credit risk characteristics and the days past due*. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

##### 2.18 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.

##### 2.19 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other payables are presented as amounts falling due within one year unless payment is not due within 12 months after the reporting date.

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## **NPS PROPERTY CONSULTANTS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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#### **2. Accounting policies (continued)**

##### **2.20 Provisions for liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

##### **2.21 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 and financial liabilities are initially measured at fair value.

##### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

##### **Fair value through profit or loss**

All of the company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

##### **Impairment of financial assets**

The company always recognises lifetime expected credit losses (ECL) for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the company's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

##### **Financial liabilities**

##### **Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is

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## NPS PROPERTY CONSULTANTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.21 Financial instruments (continued)

held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

##### **At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the *expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.*

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## **NPS PROPERTY CONSULTANTS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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#### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

To be able to prepare financial statements according to FRS 101, management must make estimates and assumptions that affect the asset and liability items and revenue and expense amounts recorded in the financial statements. These estimates are based on historic 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 the significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

##### **Critical judgements**

###### **Revenue and profit on property consultancy contracts**

In respect of certain property consultancy services the stage of completion of any contract is assessed by management by taking into consideration all information available at the reporting date. In this process management carries out significant judgements about milestones, actual work performed and the estimated costs to complete the work. Further information on the company's accounting policy for these contracts is provided in note 2.6.

##### **Lease accounting**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

##### **Critical estimates and assumptions**

###### **Lease accounting**

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received and makes adjustments specific to the lease, for example term, country, currency and security.

##### **Deferred tax assets**

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the company's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.



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**NPS PROPERTY CONSULTANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**4. Revenue**

All revenue arose within the United Kingdom and is entirely attributable to professional property consultancy services.

**5. Other operating income**

	2020 £	2019 £
Other operating income	448,317	4,756,800
Rents receivable	415,691	360,529
	<u>864,008</u>	<u>5,117,329</u>

**6. Operating profit**

The operating profit is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of property, plant and equipment	521,436	256,998
Amortisation of intangible assets	195,631	76,072
(Profit)/loss on disposal of property, plant and equipment	(23,745)	3,399
Loss on disposal of intangible assets	-	401
(Reversal of impairment)/impairment of trade receivables	(1,558)	6,073
Operating lease expenses	-	484,437
Low value lease expenses	16,218	-
Short term lease expenses	90,260	-
Inventory recognised as an expense	<u>1,044,297</u>	<u>600,175</u>

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**NPS PROPERTY CONSULTANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**7. Employees**

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

	2020 £	2019 £
Wages and salaries	6,537,233	6,941,987
Social security costs	696,895	759,855
Other pension costs	2,283,844	2,293,592
	<u>9,517,972</u>	<u>9,995,434</u>

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

	2020 No.	2019 No.
Design services	85	71
Building surveying	30	29
Estates and asset management	33	37
Business support	25	54
	<u>173</u>	<u>191</u>

**8. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	-	82,645

Three directors (2019 - two) in position during the year are remunerated within other group companies, with no recharges for services provided to the company made. The disclosure excludes three directors (2019 - three) who receive no remuneration for services provided to the company.

**NPS PROPERTY CONSULTANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**9. Interest receivable and similar income**

	2020 £	2019 £
Interest receivable from group companies	27,366	-
Other interest receivable	-	183
	<u>27,366</u>	<u>183</u>

**10. Interest payable and similar expenses**

	2020 £	2019 £
Loans from group undertakings	94,491	176,661
Interest on lease liabilities	45,919	-
	<u>140,410</u>	<u>176,661</u>

**11. Tax on profit**

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the year	390,904	(51,552)
Adjustments in respect of prior periods	61,540	1,775
<b>Total current tax</b>	<u>452,444</u>	<u>(49,777)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	24,766	31,620
Adjustments in respect of prior periods	(8,185)	(2,828)
Effect of tax rate change on opening balance	(23,958)	-
<b>Total deferred tax</b>	<u>(7,377)</u>	<u>28,792</u>
<b>Tax on profit</b>	<u>445,067</u>	<u>(20,985)</u>

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**NPS PROPERTY CONSULTANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**11. Tax on profit (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 -lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit before tax	<b>1,927,916</b>	314,668
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2019 -19%)	<b>366,304</b>	59,787
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>49,366</b>	36,268
Adjustments in respect of prior periods	<b>53,355</b>	(1,053)
Non-taxable income	-	(112,734)
Dividends from UK companies	-	(3,253)
Effect of tax rate change on opening balance	<b>(23,958)</b>	-
<b>Total tax charge/(credit) for the year</b>	<b>445,067</b>	(20,985)

**Factors that may affect future tax charges**

Changes to the UK corporation tax rates were substantively enacted on 17 March 2020 under a UK Budget resolution which has statutory effect under the provisions of the Provision Collection of Taxes Act 1968. This resolution cancelled the previously enacted reduction to 17%, such that the UK corporation tax main rate from 1 April 2020 remains at 19%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

**NPS PROPERTY CONSULTANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**12. Intangible assets**

	Computer software £
<b>Cost</b>	
At 1 April 2019	169,687
Additions	1,027,208
Intra-group transfers	(160,721)
At 31 March 2020	<u>1,036,174</u>
<b>Accumulated amortisation</b>	
At 1 April 2019	98,076
Charge for the year	2,663
Charge for the year on right-of-use assets	195,631
Amortisation transfer from group	(96,029)
At 31 March 2020	<u>200,341</u>
<b>Net book amount</b>	
At 31 March 2020	<u><u>835,833</u></u>
At 31 March 2019	<u><u>71,611</u></u>

The net book value of owned and leased assets included as Intangible assets in the Statement of financial position is as follows:

	2020 £	2019 £
Intangible assets owned	15,294	71,611
Right-of-use assets	820,539	-
	<u><u>835,833</u></u>	<u><u>71,611</u></u>

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**NPS PROPERTY CONSULTANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**12. Intangible assets (continued)**

Information about right-of-use assets is summarised below:

**Net book value**

	2020 £
Computer software	820,539
	<u>820,539</u>

**Amortisation charge for the year ended**

	2020 £
Computer software	195,631
	<u>195,631</u>

**Additions to right-of-use assets**

	2020 £
Additions to right-of-use assets	<u>1,016,171</u>

**NPS PROPERTY CONSULTANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**13. Property, plant and equipment**

	Leasehold property £	Plant and equipment £	Computer equipment £	Right of use assets £	Total £
<b>Cost</b>					
At 1 April 2019	211,454	386,290	1,179,705	-	1,777,449
Effect of adoption of IFRS 16, 'Leases'	-	-	-	848,376	848,376
At 1 April 2019 (as restated)	211,454	386,290	1,179,705	848,376	2,625,825
Additions	39,590	18,000	17,428	-	75,018
Transfers intra group	-	(359,762)	(1,049,770)	-	(1,409,532)
Disposals	-	-	(3,631)	-	(3,631)
At 31 March 2020	251,044	44,528	143,732	848,376	1,287,680
<b>Accumulated depreciation</b>					
At 1 April 2019	126,035	352,156	515,571	-	993,762
Charge for the year on owned assets	44,939	4,746	27,936	-	77,621
Charge for the year on right-of-use assets	-	-	-	443,815	443,815
Transfers intra group	-	(337,113)	(459,818)	-	(796,931)
Disposals	-	-	(27,376)	-	(27,376)
At 31 March 2020	170,974	19,789	56,313	443,815	690,891
<b>Net book amount</b>					
At 31 March 2020	80,070	24,739	87,419	404,561	596,789
At 31 March 2019	85,419	34,134	664,134	-	783,687

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**NPS PROPERTY CONSULTANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**13. Property, plant and equipment (continued)**

The net book amount of owned and leased assets included as Property, plant and equipment in the Statement of financial position is as follows:

	2020 £
Tangible fixed assets owned	192,228
Right-of-use tangible fixed assets	404,561
	<hr/> 596,789 <hr/>

Information about right-of-use assets is summarised below:

**Net book amount**

	2020 £
Property	330,943
Motor vehicles	73,618
	<hr/> 404,561 <hr/>

**Depreciation charge for the year ended**

	2020 £
Property	(341,739)
Motor vehicles	(102,076)
	<hr/> (443,815) <hr/>



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**NPS PROPERTY CONSULTANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**14. Investments**

	Investments in subsidiary companies £	Investment in joint ventures £	Total £
<b>Cost</b>			
At 1 April 2019	5,303,099	10,000	5,313,099
Additions	8	-	8
At 31 March 2020	<u>5,303,107</u>	<u>10,000</u>	<u>5,313,107</u>
<b>Impairment</b>			
At 1 April 2019	3,454,049	-	3,454,049
At 31 March 2020	<u>3,454,049</u>	<u>-</u>	<u>3,454,049</u>
<b>Net book amount</b>			
At 31 March 2020	<u>1,849,058</u>	<u>10,000</u>	<u>1,859,058</u>
At 31 March 2019	<u>1,849,050</u>	<u>10,000</u>	<u>1,859,050</u>

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## NPS PROPERTY CONSULTANTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 14. Investments (continued)

##### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
NPS NW Limited	Ordinary	80%
NPS Humber Limited	Ordinary	60%
NPS Barnsley Limited	Ordinary	80%
Barnsley Norse Limited (*)	Ordinary	80%
NPS South West Limited	Ordinary	80%
NPS London Limited	Ordinary	80%
NPS Leeds Limited	Ordinary	80%
NPS Norwich Limited	Ordinary	80%
Norwich Norse (Environmental) Limited (*)	Ordinary	64%
Norwich Norse (Building) Limited (*)	Ordinary	64%
Norse Energy Limited	Ordinary	100%
Norse Energy (Hafod) Limited (*)	Ordinary	100%
Norse Energy (Stoke Gifford) Limited (*)	Ordinary	100%
Norse Energy (BSCC) Limited (*)	Ordinary	100%
Norse Energy (BSCC Biomass) Limited (*)	Ordinary	100%
Norse Development Company Limited	Ordinary	100%
International Aviation Academy - Norwich Limited	Ordinary	100%
NPS Peterborough Limited	Ordinary	80%
Hamson Barron Smith Limited	Ordinary	100%
NPS South East Limited	Ordinary	100%
NPS North West Limited	Ordinary	100%
NPS Infinity Limited (*)	Ordinary	100%
NPS Group Limited	Ordinary	100%
NPS North London Limited (*)	Ordinary	100%
NPS North East Limited	Ordinary	100%
NPS Stockport Limited	Ordinary	100%
Norse Consulting Group Limited	Ordinary	100%
Hearth UK Limited	Ordinary	100%
Hearth UK (Exeter) Limited (*)	Ordinary	100%

(\*) - indirect subsidiary undertakings

##### Registered office

The registered office for all subsidiary undertakings is 280 Fifers Lane, Norwich, Norfolk, NR6 6EQ.

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## NPS PROPERTY CONSULTANTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 14. Investments (continued)

##### Joint ventures

The company owns 50% of the issued share capital of Beattie Passive Norse Limited, a company incorporated in the United Kingdom. The principal activity of the joint venture is the construction of energy efficient buildings. The registered office for Beattie Passive Norse Limited is 280 Fifers Lane, Norwich, Norfolk, NR6 6EQ.

The company owns 50% of the issued share capital of Broadland Growth Limited, a company incorporated in the United Kingdom. The principal activity of the company is property construction and development. The registered office for Broadland Growth Limited is Thorpe Lodge, 1 Yarmouth Road, Norwich, Norfolk, NR7 0DU.

The company owns 50% of the issued share capital of Build Insight Ventures Limited, a company incorporated in the United Kingdom. The principal activity of the joint venture is a holding company. Build Insight Ventures Limited owns 100% of the issued share capital of Build Insight Limited and Build Insight Consulting Limited, companies incorporated in the United Kingdom. The principal activities of these companies are building control and related consultancy. The registered office for Build Insight Ventures Limited is 280 Fifers Lane, Norwich, Norfolk, NR6 6EQ.

#### 15. Inventories

	2020 £	2019 £
Finished goods and goods for resale	90,000	-
Work in progress	73,641	100,873
	<u>163,641</u>	<u>100,873</u>

There are no amounts charged to the Statement of comprehensive income in the current or previous year in relation to inventory provisions.

**NPS PROPERTY CONSULTANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**16. Trade and other receivables**

		2020 £	2019 £
<b>Amounts falling due after more than one year</b>	Note		
Trade receivables		330,150	330,150
Deferred tax asset	22	211,020	174,395
		<u>541,170</u>	<u>504,545</u>
		2020 £	2019 £
<b>Amounts falling due within one year</b>			
Trade receivables		1,008,828	421,246
Amounts owed by group undertakings		2,354,277	3,022,111
Amounts owed by joint ventures and associated undertakings		1,135,352	229,383
Other debtors		16,874	109,114
Prepayments and accrued income		213,997	552,164
Amounts recoverable on long term contracts		669,006	520,891
Tax recoverable		-	163,084
		<u>5,398,334</u>	<u>5,017,993</u>

Trade receivables are stated after provisions for impairment of £4,200 (2019 - £16,836).

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

**17. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	18,665	33
Less: bank overdrafts	-	(485,691)
	<u>18,665</u>	<u>(485,658)</u>

**NPS PROPERTY CONSULTANTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**18. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Bank overdrafts	-	485,691
Loans from parent undertaking	277,596	2,270,786
Trade creditors	147,555	261,818
Amounts owed to group undertakings	10,311,736	6,340,631
Corporation tax	190,904	-
Other taxation and social security	2,047,948	864,010
Lease liabilities	691,646	-
Other creditors	164,728	3,877,405
Accruals and deferred income	1,934,429	2,138,606
	<u>15,766,542</u>	<u>16,238,947</u>

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

Included within other creditors at the year end are outstanding pension contributions of £96,243 (2019 - £92,555).

**19. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Other loans	2,687,477	2,965,073
Lease liabilities	510,646	-
	<u>3,198,123</u>	<u>2,965,073</u>

The loan is repayable in bi-annual instalments commencing August 2018. The final repayment is due in February 2025. Interest on the loan is charged at 2.5% per annum. The loan is secured by way of a guarantee provided by Norse Group Limited.

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**NPS PROPERTY CONSULTANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**20. Loans**

Analysis of the maturity of loans is given below:

	2020 £	2019 £
<b>Amounts falling due within one year</b>		
Loans from parent undertaking	277,596	2,270,786
<b>Amounts falling due 1-2 years</b>		
Loans from parent undertaking	284,581	227,598
<b>Amounts falling due 2-5 years</b>		
Loans from parent undertaking	2,402,896	1,379,114
<b>Amounts falling due after more than 5 years</b>		
Loans from parent undertaking	-	1,358,361
	<u>2,965,073</u>	<u>5,235,859</u>

**21. Leases**

**Company as a lessee**

Lease liabilities are due as follows:

	2020 £
Not later than one year	691,646
Between one year and five years	510,646
	<u>1,202,292</u>

The total cash outflow for leases during the year was £846,435.

The following amounts in respect of leases, where the company is a lessee, have been recognised in profit or loss:

	2020 £
Interest expense on lease liabilities	<u>45,919</u>

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**NPS PROPERTY CONSULTANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**22. Deferred taxation**

The movement in the deferred taxation asset during the year was:

	2020 £	2019 £
At 1 April	174,395	203,187
Credited/(charged) to profit or loss	7,377	(28,792)
Credited to equity	29,248	-
<b>At 31 March</b>	<b>211,020</b>	<b>174,395</b>

Deferred tax is provided for at 19% (2019 - 17%) in the financial statements and consists of the following:

	2020 £	2019 £
Difference between capital allowances and depreciation	110,667	141,673
Other timing differences	100,353	32,722
	<b>211,020</b>	<b>174,395</b>

**23. Provisions for liabilities**

	Other provision £
At 1 April 2019	25,000
Utilised in year	(25,000)
<b>At 31 March 2020</b>	<b>-</b>

The nature of the company'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 for these actions where this is appropriate. The directors consider that a provision has been made for all known liabilities.

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## NPS PROPERTY CONSULTANTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 24. Called up share capital

	2020 £	2019 £
<b>Authorised, allotted, called up and fully paid</b>		
2,542,968 (2019 - 2,542,968) Ordinary shares of £1.00 each	<u>2,542,968</u>	<u>2,542,968</u>

#### 25. Accumulated losses

Includes all current and prior period retained profits and losses.

#### 26. Contingent liabilities

During the year, the company joined the Norse Commercial Services VAT group and as such is jointly and severally liable for the VAT liability of the entire group. The Norse Commercial Services VAT group liability at the 31 March 2020 was £8,374,583. Prior to the company joining the Norse Commercial Services VAT group, the company was a member of the NPS Property Consultants VAT group. The NPS Property Consultants VAT group liability at 31 March 2019 was £1,543,836.

The company has provided a guarantee in respect of a bank loan taken out by the subsidiary undertaking, Norse Energy Limited. At the year end, the outstanding balance in respect of this loan was £8,250,000 (2019 - £9,250,000).

A cross guarantee in favour of Barclays Bank plc is in place between NPS Property Consultants Limited and the following group companies: NPS NW Limited, NPS Humber Limited, NPS Barnsley Limited, NPS South West Limited, NPS London Limited, NPS Leeds Limited, NPS Norwich Limited, Norse Energy Limited, Norse Development Company Limited, International Aviation Academy-Norwich Limited, NPS Newport Limited, NPS Peterborough Limited, Hamson Barron Smith Limited, NPS Infinity Limited, NPS South East Limited. This cross guarantee is also in place between NPS Property Consultants Limited and Beattie Passive Norse Limited, a joint venture company within the Norse Group. The indebtedness subject to this guarantee at the year end was £nil (2019 - £nil).



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**NPS PROPERTY CONSULTANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**27. Commitments under operating leases**

At 31 March 2020 the company had future minimum lease payments under non-cancellable operating leases (under IAS 17) as follows:

	2020 £	2019 £
<b>Land and buildings</b>		
Not later than 1 year	-	323,126
Later than 1 year and not later than 5 years	-	129,106
	<hr/>	<hr/>
	-	452,232
	<hr/>	<hr/>
	2020 £	2019 £
<b>Plant and equipment</b>		
Not later than 1 year	-	213,106
Later than 1 year and not later than 5 years	-	138,121
	<hr/>	<hr/>
	-	351,227
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From 1 April 2019 the company has applied IFRS 16 'Leases'. See note 29 for the impact of this change.

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**NPS PROPERTY CONSULTANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**28. Related party transactions**

The company has taken advantage of the exemptions available under FRS 101 for paragraph 17 of IAS 24, whereby wholly owned undertakings do not have to disclose transactions with other wholly owned members of the same group.

The company had the following transactions and balances with related parties within the Norse Group and the ultimate controlling party, Norfolk County Council:

	Year ended 31 March 2020	Year ended 31 March 2020	31 March 2020	31 March 2020
	Sales	Purchases	Receivables	Payables
	£	£	£	£
Norfolk County Council	9,576,439	921,121	1,318,938	750,122
NPS NW Limited	786,094	296,505	-	146,552
NPS Humber Limited	-	58,016	-	661,904
NPS Barnsley Limited	18,581	400	230,451	-
NPS South West Limited	468,813	-	240,123	-
NPS London Limited	108,579	-	256,885	-
NPS Leeds Limited	108,469	96,414	-	2,269,937
NPS Norwich Limited	35,305	8,311	-	291,852
NPS Peterborough Limited	239,977	8,746	-	148,387
Norwich Norse Environmental Limited	-	40,917	-	-
Norwich Norse Building Limited	8,400	11,224	7,700	6,508
Newport Norse Limited	70,895	23,813	-	7,386
Medway Norse Limited	10,111	-	10,111	-
Suffolk Coastal Norse Limited	-	120	-	120
Barnsley Norse Limited	-	-	-	27
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**NPS PROPERTY CONSULTANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**28. Related party transactions (continued)**

	<i>Year ended</i>	<i>Year ended</i>		
	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2019</i>	<i>2019</i>	<i>2019</i>	<i>2019</i>
	<i>Sales</i>	<i>Purchases</i>	<i>Receivables</i>	<i>Payables</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
NPS Humber Limited	724,214	6,395	304,310	-
NPS Barnsley Limited	665,308	174,494	263,115	-
NPS South West Limited	637,583	-	-	1,008,087
NPS London Limited	632,341	(2,264)	219,958	-
NPS Leeds Limited	517,586	5,600	249,998	-
NPS Norwich Limited	704,236	25,245	222,436	-
NPS Peterborough Limited	418,711	-	76,030	-
Norwich Norse Environmental Limited	434	37,056	-	-
Norwich Norse Building Limited	8,400	11,576	3,500	10,193
Newport Norse Limited	18,540	-	-	-
NPS Newport Limited	180,186	-	-	23,813
Medway Norse Limited	2,011	-	-	-
Suffolk Coastal Norse Limited	323	1,200	-	230

At the year end there are provisions of £208,789 (2019 - £nil) and £230,615 (2019 - £219,958) against the balances due from NPS South West Limited and NPS London Limited respectively.

**Transactions with joint ventures**

During the year the company made sales of £nil (2019 - £nil) to the joint venture Beattie Passive Norse Limited. The company also paid various expenses on behalf of that company. At the year end £4,848,995 (2019 - £4,843,916) was owed by Beattie Passive Norse Limited. There is a provision of £4,848,995 (2019 - £4,843,916) against this debtor balance.

During the year the company made sales of £40,815 (2019 - £245,628) to the joint venture Broadland Growth Limited and advanced funds of £1,010,000 (2019 - £nil). At the year end a balance of £1,133,669 (2019 - £229,383) was owed by Broadland Growth Limited.

During the year the company advanced funds of £1,683 to the joint venture Mid Suffolk Growth Limited. At the year end a balance of £1,683 (2019 - £nil) was owed by Mid Suffolk Growth Limited.

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**NPS PROPERTY CONSULTANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**29. Change in accounting standards**

Following the adoption in the year of IFRS 16, 'Leases', the following details the impact of the adoption on the company's financial statements.

The group has adopted IFRS 16, retrospectively from 1 April 2019, but has not restated comparatives for the year ended 31 March 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 April 2019.

On the adoption of IFRS 16, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17, 'Leases'. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 April 2019.

**Practical expedient**

In applying IFRS 16 for the first time, the company has used the following practical expedients permitted by the standard:

- accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
- excluding initial direct costs for the measurement of the right of use asset at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

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**NPS PROPERTY CONSULTANTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**29. Change in accounting standards (continued)**

**Measurement of lease liabilities**

The lease liability recognised as at 1 April 2019 can be reconciled to the operating lease commitment disclosure as at 31 March 2019 as follows:

	£
Operating lease commitments disclosed as at 31 March 2019	803,459
Discount using the lessee's incremental borrowing rate at the date of initial application	(126,606)
Less: Short-term leases not recognised as a liability	(90,260)
Less: Low value leases not recognised as a liability	(71,461)
Add: Contracts reassessed as lease contracts	200,256
Add: Adjustments as a result of a different treatment of extension and termination options	264,188
<b>Lease liability recognised as at 1 April 2019</b>	<b>979,576</b>

**Of which are:**

	£
Current lease liabilities	463,761
Non-current lease liabilities	515,815
	<b>979,576</b>

**Measurement of right to use assets**

The associated right-of-use assets for these leases were measured on a retrospective basis as if the new rules had always been applied.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**29. Change in accounting standards (continued)**

**Adjustment recognised in the balance sheet on 1 April 2019**

The following adjustments were recognised on the balance sheet as a result of the change in accounting standard:

	£
<b>Non-current assets</b>	
Right of use assets	848,376
Deferred taxation	29,248
<b>Current assets</b>	
Prepayments and accrued income	(64,173)
<b>Current liabilities</b>	
Accruals and deferred income	23,329
Right to use lease liabilities	(463,761)
<b>Non-current liabilities</b>	
Right to use lease liabilities	(515,815)
<b>Net impact on retained earnings on 1 April 2019</b>	<u>(142,796)</u>

**30. Controlling party**

The company's immediate parent and the smallest group to consolidate these financial statements is Norse Group Limited. Copies of the Norse Group Limited consolidated financial statements are available from Companies House, Cardiff, CF14 3UZ.

On the 19 November 2020, Norse Consulting Group Limited, a fellow subsidiary of the group, acquired 100% of the ordinary shares in the company from Norse Group Limited via a share for share exchange. From this date, the immediate parent is Norse Consulting Group Limited.

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 viewed online at the Council's website ([www.norfolk.gov.uk](http://www.norfolk.gov.uk)).