Financial Statements
Norse Group Limited

For the year ended 31 March 2023

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COMPANIES HOUSE

Company No. 05694657

Officers and professional advisers

Company registration number	05694657
Registered office	280 Fifers Lane Norwich Norfolk NR6 6EQ
Directors	A C Wood J F L C Galliford B G McCarthy G A Porter Z Repman G F Peck C Dearden
Secretary	S A McWilliam
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors The Maurice Wilkes Building St John's Innovation Park Cambridge CB4 0DS

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Strategic Report

Introduction

The directors present the Group Strategic Report for the year ended 31 March 2023.

Business review

Overview

The Norse Group provides a comprehensive range of integrated facilities management services to the public sector. These services are also provided, on a smaller scale, into the private sector on a selective basis (where resources and capabilities fit the needs of customers along with organisational culture).

The Group was established to enable public sector clients to access the economies of scale and expertise of a commercially operated solution, whilst sharing in the returns generated. Norse Group is the largest Local Authority Trading Company (LATCo) in the UK, providing services to over 2,100 customers including Local Authorities, NHS Trusts, Schools and other public sector bodies, as well as a range of commercial businesses.

Norse Group operates four (2022: four) core corporate divisions:

Core divisions:

- Norse Commercial Services – providing nationwide services across three main sectors, Facilities Maintenance & Management (soft and hard), Environmental Services and Highways Maintenance services.
- Norse Consulting Group (previously NPS Property Consultants) – providing a range of property consultancy and design services across the UK including Architectural, Construction Design and Management (CDM), Project Management, Building Surveying, Valuation and Estate Management, Land Agency and Quantity Surveying amongst others.
- Norse Care – providing care services including the management and staffing of residential and nursing care homes, dementia care facilities, and housing with care schemes across Norfolk.
- Norse Group Holdings – a capital asset holding company of the Group, provides land and buildings as well as holding the Group's investments in photovoltaic renewable energy infrastructure.

People

Our people remain at the heart of our organisation. Despite a tight labour market, we have seen a positive increase in both recruitment and retention across the Group. Whilst recruitment in Norse Care was by the far the most challenging (a national sector trend), by the end of the year we had made significant progress in filling posts which had been covered by agency staff since the COVID-19 pandemic.

Inflation and associated cost of living pressures are a significant issue for many of our staff. We have engaged proactively in cost of living pay negotiations, whilst at the same time seeking to ensure we can continue to offer competitively priced services for our customers.

Strategic Report

Group Trading

Revenues of £358.6m were achieved in the year, against £345.1m in 2022, a small increase of 3.9%. This was mainly due to new contracts being awarded with local authorities in Norse Commercial Services where revenues have increased in the year to £278.4m compared to £249.7m in 2022. This increase has been partially offset by the reduction in revenue in Norse Consulting Group, down from £60.5m in 2022 to £42.3m this year, due to fewer commissions being awarded.

Gross profit was £64.6m in the year; a £2.0m increase on 2022. This was mainly due to increased revenue within Norse Commercial Services. The gross profit margin has slightly decreased from 18.1% in 2022 to 18.0% in 2023. Adjusted gross profit margin (see table on page 12) has decreased from 18.5% in 2022 to 18.1% in 2023. This decrease arose from inflationary cost pressures impacting profitability within Norse Commercial Services.

A significant contributing factor to the year end position is the non-recurring expense relating to the decision to impair investments within Norse Energy (photovoltaic panel schemes) by £4.6m. This led to a loss before tax of £8.5m, compared to a loss before tax of £12.7m in 2022 (during which the Group recognised non-recurring expenses of £11.9m relating to the impairment of property). These non-recurring expenses have been realised to ensure the Group is well-placed for future, sustainable growth, as the Senior Management Team drive forward the Group's newly developed strategy.

Adjusted profit before tax has reduced from a profit of £1.4m in 2022 to a loss of £2.9m in 2023. This is mostly the result of challenges within Norse Care, notably reductions in care home occupancy and increased staffing costs, offset by the net increase to adjusted profit seen in other areas of the Group as noted above.

Resilience

The approach to COVID 19 both demonstrated and developed the Group's resilience capabilities. Risk and resilience planning has become an integral function of our SHEQ (Safety, Health, Environment and Quality) department, with corporate risk management being driven through the Group via both our Integrated Management System (IMS) and proactive management from the SHEQ department. The Group will enhance this further in the next financial year as we recruit a full-time Risk and Resilience Manager. The Board has also decided to broaden the remit of its Audit Committee to include corporate risk management.

Key performance indicators

In order to gain a true reflection and appreciation of the Norse Group's trading activities, the financial key performance indicators ("KPIs") are most usefully stated before the impact of pension adjustments made under the accounting standard IAS 19, (actuarial valuations of the Group's defined benefit schemes) and other non-recurring costs. KPIs are included within this report, incorporating the aforementioned adjustments.

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The KPIs for the year to 31 March 2023 and 2022 for the Norse Group are as follows:

	2023	2022
Revenue (£'000)	**358,623**	345,060
Gross profit per the financial statements (£'000)	**64,578**	62,578
Gross profit margin per the financial statements	***18.0%***	*18.1%*
IAS 19 pension adjustment (see note 27) (£'000)	**379**	1,210
Adjusted gross profit (£'000)	**64,957**	63,788
Adjusted gross profit margin	***18.1%***	*18.5%*
Profit/(loss) before tax per the financial statements (£'000)	**(8,517)**	(12,698)
IAS 19 pension adjustment (see note 27) (£'000)	**1,123**	2,188
Non-recurring admin (income)/expense (see note 4) (£'000)	**4,491**	11,875
Adjusted profit/(loss) before tax (£'000)	**(2,903)**	1,365
Adjusted profit/(loss) margin	***(0.8%)***	*0.4%*
Profit/(loss) after tax per the financial statements (£'000)	**(5,815)**	(13,717)
Average monthly employee numbers	**8,138**	8,723

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The following section outlines some of the key aspects of performance, by division, during the year.

Norse Commercial Services

Norse Commercial Services (NCS) specialises in the provision of facilities management services, environmental services, and highways maintenance to local authorities via Norse Group's unique partnership model. NCS also provides similar services to the wider public sector including education and healthcare, the third sector targets select private sector clients via competitive tendering.

NCS has developed a broad range of service lines as the company has grown. Soft FM services include cleaning, catering, security and passenger transport services. Hard FM includes maintenance of corporate buildings and social housing. Environmental services provision is also wide ranging, including refuse collection, waste transfer and treatment (via Norse Group's Materials Recycling Facility), management of household waste services and street cleansing.

NCS has continued to see growth during the year with overall revenues increasing by £28.7m or 11.5%. This has been driven by two new joint ventures starting in 2022/23; Alliance Norse (delivering building maintenance, cleaning and caretaking services), and Rochford Norse (delivering environmental services).

Despite the growth in revenues, the gross profit margin decreased from 17.4% to 16.6% and adjusted gross margin has decreased from 17.9% to 16.7%. This is predominantly driven by higher material, labour and fuel costs experienced across NCS during a period of high inflation. Whilst many costs could be passed back to customers, some were also absorbed. The adjusted profit margin has fallen to 0.1% (from 2.1% in 2022).

Average employee numbers have decreased throughout the year. Despite new joint ventures starting in the year, Wellingborough Norse ceased activities at the end of March 2022, resulting in a lower net number of employees. The main provision of services in catering, cleaning and transport struggled to recruit new staff due to the wider challenging recruitment market throughout much of the year. This is indicative of a wider national trend which began to ease towards the end of the year.

Norse Consulting Group

The principal activity of Norse Consulting Group (NCG) is the supply of property management services.

Revenues fell significantly during the year, partly due to the end of the NPS Norwich JV which reached the end of its 10 year term on the 31 March 2022. This coincided with the end of NPS Peterborough JV as at the 31 January 2023 and end of the NPS Humber JV(again reaching the natural end of contract term) which ceased on the 31 March 2023. These JVs maturing close to each other (a consequence of aligned start and renewal dates), combined with funding uncertainties from central government for numerous projects which NCG are supporting local authority customers with, has resulted in revenues falling by £18.2m to £42.3m for 2023 (from £60.5m in 2022). This is a 30% reduction from the previous year.

However, despite this reduction in revenues, the Gross Profit Margin increased from 25.1% in 2022 to 31.0% in 2023, as the business adjusted its cost base accordingly. The adjusted gross margin has also increased to 30.7% (from 25.1% in 2022). The business model in place supports fluctuations in revenue through using a mix of direct delivery alongside consultants or sub-contractors. This allows variable direct costs to flex with revenue movements.

Profit before tax has increased from a £8.4m loss in 2022 to a £2.5m profit in 2023. This is partly due to the ability to reduce costs when revenues fluctuate as noted above. However, there were also other notable costs incurred in 2022 that have not repeated in 2023. These include costs related to work within the archaeological unit, and, most notably, non-recurring expenses of £4.1m relating to the impairment of goodwill. Adjusted profit before tax has therefore increased from £3.9m loss in 2022 to a profit of £2.6m in 2023.

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Average employee numbers fell from 1,211 in 2022 to 804 in the current year. This is due to the cessation of contracts noted above, and the subsequent move to a more flexible resourcing model.

Norse Care

Norse Care (NC) runs residential care homes and supports housing with care schemes across Norfolk. This includes provision of care and specialist dementia care services under contract to Norfolk County Council, and a small number of private customers.

Revenue increased by 5.7%, taking it to £46.2m (from £43.7m in 2022). This is a result of both increased income from privately paying clients and contractual uplifts.

The challenges of COVID-19 have continued to impact care homes and in particular the increased usage of agency staff due to a national shortage of care workers. Controlling agency spend has been a major challenge for the business throughout the year. However, despite these cost increases, the additional revenues noted above were sufficient to result in gross profit margins and adjusted gross profit margins increasing to 10.2% (from 6.6% in 2022). Additionally, costs began to fall in the last quarter of the year as directly employed staff numbers increased, therefore reducing the reliance on agency staff.

Whilst the gross profit margins have increased as noted above, the profit before tax and adjusted profit before tax has decreased from a loss of £0.4m in 2022 to a loss of £4.1m in 2023. Consequently, the adjusted profit margin has decreased from -0.8% in 2022 to -8.8% in 2023. A key reason for this decrease is that Infection Control Funding (ICF) ended on the 31/03/22 (previously received to help support the additional costs incurred during the year as a result of the pandemic, reported within Other Income). Whilst the year was financially challenging for Norse Care, the business and wider Norse Group remain committed to providing services within the Norfolk care market and are designing a future strategy to ensure a return to long-term profitability.

Average employee numbers reduced slightly from 1,657 in 2022 to 1,612 in 2023. However, this figure does not account for the large number of agency workers utilised during the year in response to the national challenge regarding recruiting care workers.

Norse Group Holdings Group

Norse Group Holdings (NGH) was established to hold companies whose activities relate predominately to the holding of capital assets (more specifically land, buildings, and photovoltaic schemes). These activities are considered non-operational in nature and so are not aligned to three main Norse Group companies (NCS, NCG, and NC).

The four companies that were acquired on 31 March 2021 were - International Aviation Academy – Norwich Limited, Norse Development Company Limited and Norse Energy Limited (from Norse Consulting), and Norfolk Environmental Waste Services Limited (from Norse Commercial Services).

During the year, NGH recognised an impairment loss of £4.6m in relation to the photovoltaic panels held as Property, Plant and Equipment in Norse Energy Limited. This is based on the net present value (NPV) of future cashflows generated by these assets being less than the carrying values. In 2022, NGH recognised an impairment of £7.5m in respect of a property in Norse Development Company Limited. Recognising these impairments was a strategic decision by the Senior Management Team and Board of Directors to ensure the new Group strategy builds long-term profitability.

The KPI's for the year ended 31 March 2023 in comparison to 31 March 2022, include revenue which has decreased from £3.6m to £3.3m as long-term tenancies were agreed for one of the property assets. Gross Profit Margin decreased from 27.7% to 20.5% as a result of the decrease in income. The adjusted profit margin decreased from 11.2% to (1.0%) loss as a combined result of the decrease in revenue and the impairment in both 2022 and 2023.

Strategic Report

Outlook and future developments

As the largest local authority trading company (LATCo) in Britain, ensuring we put people at the heart of what we do will remain integral to growth via our ethical value proposition for our stakeholders and shareholder.

Future business growth will continue to provide services in support of communities across England, Scotland, and Wales. Our sales pipeline shows a mix of district, county and unitary councils as prospective new customers during the next 2 financial years.

As part of our business model, we will remain committed to ensuring we offer people from the communities we serve employment and development opportunities.

We anticipate growth in provision of frontline services via Norse Commercial Services, with a strong focus on environmental service provision. This is a result of our increasing reputational strength and tightening market conditions for private sector contractors. Norse Consulting Group will continue to provide services including Estate Management, Surveying, Architecture and Design. These services will increasingly be provided via a traditional consultancy basis, rather than a joint venture approach (in line with local authority market trends for property services). Additionally, Norse Consulting Group will continue to grow its Net Zero capabilities as demand for such services increases (with a particular focus on property retrofit and carbon auditing).

Norse Care remains an essential part of the Group, and work will continue to ensure a long-term profitable model that meets the general trend of increasingly complex care needs.

In addition to these key areas of business activity we will continue to grow our wholly owned brands in areas including facilities management and assistive technologies.

Our service portfolio and public sector ethos will combine in ways which allow us to focus on ensuring the safety of residents within the communities we serve.

Principal risks and uncertainties

As part of its overall governance, the Group has a number of risk management and internal control procedures to ensure that it manages risk appropriately at every level within the business, from those specific to individual work tasks, to those for business units, to overall strategic risks across the Group and its industries.

The Group's risk approach is overseen by the Audit Committee, a sub-committee of the Board. The business proactively manages risk, utilising a full-time risk manager to ensure both operational and corporate risks are identified and managed. Key corporate risks are summarised below:

Infrastructure Risk

Resilience of the Group's infrastructure is also key. given an ever-increasing focus on technology as a fundamental part of operations. The Group ensures investment is complimented by rigorous training and testing to ensure its infrastructure is robust. As part of the Group's business continuity planning, a detailed disaster plan is also regularly reviewed. These measures compliment cyber and data security.

Health & Safety Risk

A proactive, focused, well-resourced approach to health and safety is fundamental to the Norse Group's operations. Training, guidance and resource ensure that the business is not only compliant with regulations, but wherever possible aiming to achieve best practice. The Group continues on its journey for certification to ISO 45001, with accreditation planned for 2025.

Strategic Report

Principal risks and uncertainties (continued)

Continuity and Growth

The continuity and growth of the Group requires both repeat and new business, whilst also ensuring retention of good staff.

The 5-year plan, which implements the Group's strategy, will continue to help achieve this. Implementation of the People Plan, a grass roots review of our values and brand, and significant investment in our back-office systems will continue throughout the new financial year as essential strategic steps.

Despite reduced funding across the public sector, the need to ensure good governance of our joint ventures, and offering solutions which help customers achieve "Net Zero" will continue to increase. The Group will therefore continue to develop these capabilities and build them in to the services it offers.

In addition to these measures, the Group will continue to work towards formal certification of its Integrated Management System (IMS) to ISO 9001, 14001, and 45001. These accreditations, along with more specialised accreditations such as Cyber Essentials Plus will ensure market confidence for both new and existing customers.

Marketing of the Group's diverse range of services will continue to evolve, ensuring the consistent promotion of the Group to maintain a strong sales pipeline.

Financial risk

Given the nature of the Group's contracts and services, financial risks reside largely within either a failure to perform the services appropriately, or through the failure to manage operational performance appropriately. These risks are managed through relevant reporting, the ongoing review of performance, and the management of controls and authority limits within the business.

Pure financial risk is considered below average due to the largely UK focused basis of the Group's operations and its public sector client base. The key areas of concern summarised below:

- **Credit risk**: whilst credit checks are performed along with debtor management through the use of credit limits and the monitoring of the aging of debtor balances with appropriate follow-up action taken, the majority of clients are public sector organisations and present limited credit risk.
- **Interest rate risk**: an element of fixed rate borrowing is undertaken within the wider portfolio to manage this risk. Rates are reviewed regularly where floating rates present some exposure to SONIA or the wider market to ensure these are appropriate and do not present a material risk to the business.
- **Liquidity risk:** working capital is managed carefully, with cash forecasts produced to provide daily as well as medium to long-term projections. These are used to ensure the Group holds appropriate levels of working capital facilities.
- **Currency risk:** as the Group operates solely within the UK with almost no foreign currency transactions, and as such has negligible exposure any foreign currency exchange risk.
- **Defined Benefit Pension risk:** the nature of public sector services often comes with Local Government Pension Schemes (LGPS) which being Defined Benefit schemes carry considerable risk. The Group no longer accepts this risk for new contracts and through its agreements passes this risk back to the client where it can often be more effective for both the client and the Group.
  There remains a legacy element where some residual LGPS risk remains with the Group. These schemes and the risk from them are closed to new members and in run off. The Group continually looks at ways to further minimise and reduce this risk, either through agreeing to pass this back to clients, or where retained, options for any further mitigation.

Strategic Report

Corporate governance

The Group continues to promote good corporate governance reporting under s.172 of the Companies Act 2006.

The Group's corporate governance structure now operates as follows:

- Chairperson – oversight of the Board and its meetings, appointed by the ultimate shareholder Norfolk County Council, who also authorise the appointment of any director to the Board of the Group.
- Non-executive directors – appointed to chair advisory committees to the Board and provide an external perspective to the main Group Board.
- Audit Committee – oversight of the internal audit and external audit scope and findings, as well as the Group's risk management systems.
- Remuneration Committee – review the remuneration policy and related decisions in respect of the directors of the Group.
- Care Advisory Board – oversight of key operational areas including compliance.

In addition to this governance structure, certain matters are reserved for the ultimate shareholder's approval, to ensure additional oversight, and governance of the Group. This is further enhanced with enhanced voting rights for directors which are also officers and members of Norfolk County Council.

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholder as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operation on the community and environment;
- the desirability of the company maintaining a reputation for high standard of business conduct; and
- the need to act fairly as between shareholder of the Company.

These duties are fulfilled in many different ways, as already noted within this report, to support the Continuity and Growth of the Group the reputation is of critical importance and one of the primary risks for the Group in the longer term.

Joint venture partnerships the Group has with local authorities are governed by formal board meetings to ensure stakeholders are actively engaged and that entities are well-governed.

Strategic Report

Corporate governance (continued)

Following on from the formation of the senior management team in 2021, the management structure has continued to develop with the appointment of a Group wide Chief Operating Officer and a Group Strategic Business Development Director. Both roles work with the senior team to ensure there is strong leadership and governance in place.

The primary aim is to ensure the wider Group has better representation and a 'voice at the table', and that these leaders can more effectively represent your key issues and challenges. They will then sponsor any actions, task groups or projects to try and resolve these with you.

It's also just one of the ways the Directors intend to ensure they are getting a better take on what it feels for the staff 'out there' across the Group, and to break down the perception of any invisible barriers between the most senior managers and those running our teams and services.

In addition to this, the Group recognises a number of unions in management of its operations to ensure that its employees are fairly considered in the Group's activities, with the Group's HR Director attending meetings of the Board of the Group to ensure that this aspect is considered in the decision making process.

Further elements of employee engagement, along with those regarding suppliers and customers, are noted within the Report of the directors.

Each year the Group produces a business plan, which considers all of these aspects and which is done in discussion with the Group's ultimate shareholder, to ensure that the interests of the shareholder are reflected in the Group's plans, which with the addition in recent years of the non-executive directors has further aided the challenge and scrutiny of these plans to ensure that the Directors' responsibilities are met.

In making their decisions, the Directors consider both the immediate and long-term consequences of the options under consideration, with the latest business plan projecting forward to 2028 to give sufficient forward visibility of the Group. The Group's wider strategy is reviewed as part of this process to ensure that it is fully reflected within this business planning exercise.

The Group's energy position is reflected in the Report of the directors, given the nature of services the environmental impact waste and its collection, along with the method of delivery of services is continually considered, from assessing the viability of electric refuse vehicles to how solutions are undertaken to reduce their environmental impact.

The approach to the environmental impact naturally moves into the Group's engagement with the community wherever it has a presence. With the services being delivered often on behalf of the council for that area, the procurement approach with suppliers seeks to prioritise local suppliers where possible to ensure that through the local employment, this use of local suppliers and way in which services are delivered, that the services give back to that community in many ways.

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

J F L C Galliford
Chief Executive Officer
Date: 13/10/2023

Report of the directors

The directors present their report and the audited consolidated financial statements of the Group for the year ended 31 March 2023.

Principal activities

Norse Group Limited is a holding company for the Norse Group, which comprises the following:

- Norse Commercial Services (NCS) a facilities management and environmental services specialist;
- Norse Consulting Group (NCG), which offers multi-discipline property and design services;
- Norse Care (NCL), which provides specialist care facilities and services; and
- Norse Group Holdings (NGH), which is predominantly a holding company for capital assets of the group.

The full list of subsidiaries is included in note 5 to the company financial statements.

Results and dividends

The loss for the financial year, after taxation, was £5.8m (2022: £13.7m loss).

Dividends of £Nil were paid during the year (2022: £Nil).

As at 31 March 2023 the consolidated statement of financial position showed net assets of £41.7m (2022: £26.9m).

Matters covered in the group strategic report

The following sections are included within the group strategic report:

- Business review
- Outlook and future developments
- Key performance indicators
- Principal risks and uncertainties
- Financial risk management objectives and policies

The directors

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

A J Proctor (resigned 22 May 2023)
S J Hardwick (resigned 1 April 2023)
B G McCarthy *
N E Frogbrook (resigned 26 April 2022)
G A Porter *
J F L C Galliford (appointed 26 April 2022)
A C Wood *
Z Repman (appointed 3 August 2022)
C Dearden (appointed 1 April 2023 and resigned on 18 April 2023)
G F Peck (appointed 8 September 2023)
C Dearden (appointed 21 September 2023)

* non-executive director

Report of the directors

Qualifying third party indemnity insurance

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

Employee involvement

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

- Induction course
- Customer care training
- Continuous training and development for professional employees
- Business related training as identified via the appraisal of employees
- Management training as appropriate
- Personal development

The Group continues to keep employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Group. These matters are communicated via email, through staff meetings and group wide publications.

To ensure visibility of engagement with employees, the Group undertakes an annual employee survey, as well as monitoring various KPI's in respect of its employees, from sickness and absence to retention and exit surveys of those leaving to ensure it is actively aware of potential issues and can improve overall employee engagement.

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 group may continue. It is the policy of the group that training, career development and promotion opportunities should be available to all employees.

Engagement with customers

The Group naturally has a close relationship with its clients, many of whom are shareholders of one or more of the Group's companies that deliver services to those clients. This enables not only engagement with clients at an operational level, but within the regular board meetings held for those companies, at a more strategic level with those clients.

Report of the directors

Engagement with suppliers

Suppliers are engaged with through the Group's procurement team, enabling more strategic engagement with suppliers, as well as local engagement through the operational management teams delivering the services. The Group seeks to offer many of the public sector's policies in terms of the fair and ethical treatment of suppliers, with relatively favourable payment terms offered to suppliers and ensures suppliers are dealt with fairly and appropriately through the oversight of the Group's procurement team.

The Group endeavours to pay all suppliers within the terms of their invoice.

Greenhouse gas emissions, energy consumption and energy efficiency action

The following section reports on the greenhouse gas (GHG) emissions that Norse Group Limited is responsible for, as required by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The reporting period for the GHG emissions is 1 April 2022 to 31 March 2023.

Norse Group has calculated its Scope 1, 2 and Scope 3 emissions for buildings and transport. For the 2022/23 reporting year, well to tank emissions have also been calculated and included again to provide a fuller picture of the impact of the operations. Furthermore, emissions associated with the combustion of oil, LPG and biomass for heating have been included for additional transparency. 'Out of Scope' emissions have also been reported for biomass heating. These are the CO2 emissions resulting from burning wood chips. In-scope carbon accounting methods report these emissions as zero as it is assumed they will be captured by future tree growth. If the biomass is not from a sustainable source, they would represent a large source of CO2 emissions.

Report of the directors

Greenhouse gas emissions, energy consumption and energy efficiency action (continued)

Table 3.1	**2023**	2022
Energy consumption		
Total energy consumed (mWh)	**80,448**	86,399
Greenhouse gas emissions		
Scope 1		
Emissions from combustion of gas (tCO_2e)	**1,854**	2,297
Emissions from combustion of Kerosene, LPG and Biomass ($tC0_2e$) for building usage – not mandatorily reported	**299**	386
Emissions from combustion of fuel for plant (tCO_2e)	**177**	1,133
Emissions from combustion of fuel for transport (tCO_2e)	**13,728**	13,147
Scope 2		
Emissions from purchased electricity (tCO_2e)	**1,536**	1,795
Scope 3		
Emissions from the WTT of combustion of Kerosene, LPG and Biomass *(tCO_2e) for building usage - not mandatorily reported*	**92**	124
Emissions from business travel only (tCO_2e)	**565**	567
Gross emissions	**17,860**	18,939
Emissions reductions from renewable energy exports (tCO_2e)	**(1,536)**	(1,638)
Net emissions	**16,324**	17,301
Intensity ratio		
Total tCO_2e per £1m of revenue	**45.464**	50.673
Outside scope		
Emissions from the combustion of biomass (net zero)	**373**	521

Report of the directors

Methodology

In preparing and reporting its Greenhouse Gas Inventory, Norse Group has adopted the following protocols:

- The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (Revised Edition)
- The Greenhouse Gas Protocol Scope 2 Guidance
- The March 2019 UK Government's Environmental Reporting Guidelines
- The 2020 UK Government's Greenhouse Gas Conversion Factors for Company Reporting

The Group continuously reviews and updates its performance data based on updated carbon emissions factors, improvements in data quality and updates to estimates previously applied. Where performance has changed by more than 2%, balances will be re-stated.

Where it has not been possible to calculate the energy and carbon data in this report using full metered or billed data, due to difficulties obtaining data from landlords or a lack of sub metering at shared sites, then the energy use for buildings has been estimated using a benchmarking process.

With the exception of NPS Leeds Limited and Rochford Norse Limited, all estimated consumption data within this 2022/23 report has been calculated using the CIBSE TM46 benchmarking methodology. Building data for NPS Leeds Limited and Rochford Norse Limited have been based on the number of employees and energy per employee at Evolve Norse Limited and Amber Valley Norse Limited as these have comparable operations.

All Norse Group building consumption data established using the CIBSE TM46 benchmarking methodology utilises the Gross Internal Area (GIA) data to obtain accurate m^2 figures for each building.

If there are any periods of missing data, such as a missing quarterly meter reading, then the previous year's consumption data for the missing period has been used to estimate the consumption data for the period.

Energy Efficiency Action

The Group's latest Energy Saving Opportunity Scheme (ESOS) audit highlights a number of areas of to improve the Group's energy footprint. These opportunities are currently being reviewed by the board as part of a wider sustainability strategy.

During the 2022/23 fiscal year (1st April 2022 – 31st March 2023) the following energy reduction initiatives were undertaken:

- Recruitment of Group Sustainability Manager to focus Net Zero, Energy Management and ESG.
- Flexible working arrangements continued and has resulted in further optimisation of space.
- The Group has engaged with Carbon Footprint Limited to establish a baseline and pathway to decarbonisation of the Group's operations (see below).
- The Group has looked at training that would benefit employees within the business in relation to environmental awareness.

Energy Use and Associated Carbon Emissions

Table 3.1 sets out the total Norse Group energy consumption and carbon emissions for the reporting period from the consumption of fossil fuels, purchased electricity, directly used and exported renewable electricity, fuel for transport and other energy sources.

Report of the directors

Reasons for Changes in Energy Consumption and Carbon Emissions

This section of the report contains commentary on any noteworthy variations in consumption and emissions.

Gross emissions from Norse Group operations have slightly reduced year on year by 1,079 tonnes CO2e (8.7%). The Norse Energy Photovoltaic systems that export electricity have generated enough electricity to offset the emissions related to the electricity purchased by the group.

At the end of 2022/23 a number of buildings were closed, due to space utilisation measures and the end of contracts. These include Evolve Norse Limited and NPS Leeds Limited sharing offices with their JV partners and the end of the Wellingborough contract in April 2022. There has been a general reduction in energy use across the estate due to the increase in energy prices. The higher prices have encouraged everyone to be more conservative with their use of energy which has led to a 14% reduction in energy use across the group.

Rochford Norse Limited and Alliance Norse Limited, however, have been established as new operations which has slightly offset the reduction noted above.

The regulations around the use of "red" diesel changed from April 2022 and most of the groups "red" diesel use has switched to "white" diesel. The systems in place for 2022/23 have not captured the split of "white" diesel between plant and fleet as the same tank has been used for both. This has led to the reported reduction from 1,133 (tCO_2e) in 2022 to 177 (tCO_2e) in 2023 for emissions relating to plant fuel. We are, however, working with the fuel monitoring company to be able to split fleet and plant use again for 2023/24.

Targets and Base Year

The Norse Group has established a long-term target to be net-zero by 2050. Carbon Footprint Limited have been appointed to establish the baseline carbon footprint of Norse Group and to set out a science based pathway to decarbonisation of the group's operations.

The base year will be 2022/23 as this is the first full year of operations after COVID-19. This will provide a realistic understanding of the group's operational CO2e emissions. The carbon reduction plan will set out a pathway to 2050. The actions will be broken down in to five year intervals. This will ensure that progress is made throughout the period to 2050, tackling the easier areas first, whilst allowing time for appropriate solutions to be identified for the more challenging areas of decarbonisation.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Report of the directors

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations
In the case of each director in office at the date the directors' report is approved:

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

Report of the directors

Going Concern

The long-term nature of the Group's contracts protects the business from significant changes. The reduction in revenue seen for Norse Consulting in the year is expected to stabilise going forward.

The medium-term projections to 2028 continue to reflect an improving trading position from 2023 and the directors remain confident that, whilst revenues will slightly reduce over the next year due to inflationary pressures on our customers, margins will improve to compensate for reduced revenue. Additionally, the Group will pursue further growth opportunities to strengthen revenues beyond the projections.

The directors have completed a going concern assessment to ensure that the Group has appropriately assessed the potential risks and implications, including financial resources that are required for the foreseeable future. It also considered a number of severe but plausible scenarios on the following basis:

- The existing budgets have been projected forward, reflecting the loss of any contracts known to be ending but excluding any new contracts that may be secured, to establish a baseline.
- Each area of the business has then been considered and assessed as to what a severe but realistic adverse event may occur, such as a significant reduction in revenues or increases in costs, including the mitigation that would occur in such an instance.
- The scenarios have been weighted based on senior management judgement to assess the likelihood of occurrence.
- In addition to this, unmitigated impacts have also been considered to assess the potential impact.

Based on the overall weighted scenarios due to the long-term security of many of the Group's contracts and the way it delivers its services and the inherent flexibility in its cost base, the Group's resources remain well within the existing working capital resources.

Consequently, the directors have confidence that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, it remains appropriate to prepare the financial statements on a going concern basis.

Report of the directors

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

J F L C Galliford
Chief Executive Officer
Date: 13/10/2023

Independent auditors' report to the members of Norse Group Limited

Report on the audit of the group financial statements

Opinion

In our opinion, Norse Group Limited's group financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2023 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the consolidated statement of financial position as at 31 March 2023; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, and the consolidated statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

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

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

With respect to the Strategic report and Report of the directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Report of the directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the directors for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK Tax Legislation, Health and Safety at Work etc Act 1974, Employment Legislation, and Building Regulations 2010, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to misstatement of financial information via inappropriate journal entries and/or management bias in key accounting estimates. Audit procedures performed by the engagement team included:

- Making enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations;
- Reviewing meetings of minutes during the year and up to date approval of the financial statements;
- Enquiring with management about any litigation and claims and reviewing legal expenses to identify such undisclosed issues;
- Identifying and testing journals meeting specified criteria considered to be unusual or indicative of potential fraud;
- Evaluating management's controls designed to prevent and detect irregularities; and
- Testing the appropriateness of key estimates made by management to identify any deliberate misstatements in the financial statements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- certain disclosures of directors' remuneration specified by law are not made.

We have no exceptions to report arising from this responsibility.

Other matter

We have reported separately on the company financial statements of Norse Group Limited for the year ended 31 March 2023.

Paul Norbury (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
13 October 2023

Consolidated income statement for the year ended 31 March 2023

	Note	**31 March 2023 £'000**	31 March 2022 £'000
Revenue	3	**358,623**	345,060
Cost of sales		**(294,045)**	(282,482)
Gross profit		**64,578**	62,578
Administrative expenses – recurring		**(67,772)**	(66,693)
Administrative expenses – non-recurring	4	**(4,491)**	(11,875)
Total Administrative expenses		**(72,263)**	(78,568)
Other operating income		**1,231**	5,835
Operating loss	4	**(6,454)**	(10,155)
Recurring		**(1,963)**	1,720
Non-recurring	4	**(4,491)**	(11,875)
Share of profit/(loss) from equity accounted investments	8	**20**	(71)
Finance income	9	**256**	-
Finance costs	10	**(2,339)**	(2,472)
Loss before taxation		**(8,517)**	(12,698)
Taxation	11	**2,702**	(1,019)
Loss for the financial year		**(5,815)**	(13,717)
Profit/(loss) for the financial year attributable to:			
Non-controlling interests	30	**121**	1,808
Owners of the parent		**(5,936)**	(15,525)
		(5,815)	(13,717)

All of the activities of the group are classed as continuing.

Consolidated statement of comprehensive income for the year ended 31 March 2023

	Note	**31 March 2023 £'000**	31 March 2022 £'000
Loss for the financial year		**(5,815)**	(13,717)
Other comprehensive income:			
Revaluation of property, plant and equipment	14	**9,308**	-
Re-measurement of defined benefit pension liability	27	**15,017**	22,705
Deferred tax in respect of the remeasurement of the defined benefit pension scheme	18	**(3,754)**	(5,676)
Movement in deferred tax in respect of pension scheme arising from change in rates	18	**-**	2,830
Total other comprehensive income for the year, net of tax		**20,571**	19,859
Total comprehensive income for the year		**14,756**	6,142
Total comprehensive income for the year attributable to:			
Non-controlling interests		**2,210**	574
Owners of the parent		**12,546**	5,568
		14,756	6,142

None of the items included within other comprehensive income will subsequently be re-classified to the Income statement.

Consolidated statement of financial position as at 31 March 2023

	Note(s)	31 March 2023 £'000	31 March 2022 £'000
Assets			
Non-current assets			
Goodwill	12	-	-
Other intangible assets	13	**277**	225
Property, plant and equipment	14	**67,925**	63,187
Right-of-use assets	15	**14,382**	20,177
Investments accounted for using the equity method	8, 16	**256**	236
Deferred tax asset	18	**4,483**	8,997
Trade and other receivables	20	**11,657**	11,781
		98,980	104,603
Current assets			
Inventories	19	**2,519**	2,561
Trade and other receivables	20	**65,673**	60,139
Cash and cash equivalents		**6,521**	17,265
Asset held for sale		**150**	-
		74,863	79,965
Total assets		**173,843**	184,568
Liabilities			
Current liabilities			
Trade and other payables	21	**(61,886)**	(65,095)
Lease liabilities	23	**(4,854)**	(6,151)
Borrowings	24	**(16,480)**	(18,665)
Provisions	25	**(1,916)**	(747)
		(85,136)	(90,658)
Non-current liabilities			
Trade and other payables	21	**(14,599)**	(14,836)
Lease liabilities	23	**(8,842)**	(13,476)
Borrowings	24	**(9,476)**	(10,706)
Pensions and employee benefit obligations	27	**(14,020)**	(27,914)
Provisions	25	**(117)**	(81)
		(47,054)	(67,013)
Total liabilities		**(132,190)**	(157,671)
Net assets		**41,653**	26,897

Consolidated statement of financial position as at 31 March 2023 (continued)

	Note	**31 March 2023 £'000**	31 March 2022 £'000
Equity			
Equity attributable to owners of the parent:			
Share capital	31	**11,964**	11,964
Revaluation reserve	32	**9,775**	467
Capital contribution reserve	32	**16,200**	16,200
Retained earnings/(accumulated losses)	32	**2,599**	(639)
		40,538	27,992
Non-controlling interests	30	**1,115**	(1,095)
Total equity		**41,653**	26,897

These financial statements on pages 22 to 86 were approved by the Board of Directors and signed on its behalf by:

J F L C Galliford
Chief Executive Officer

Date: 13/10/2023

Consolidated statement of changes in equity for the year ended 31 March 2022

	Share capital £'000	Revaluation reserve £'000	Capital contribution reserve £'000	Accumulated losses £'000	Total attributable to owners of the parent £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 April 2021	11,964	467	16,200	(6,207)	22,424	(1,669)	20,755
(Loss)/profit for the year	-	-	-	(15,525)	(15,525)	1,808	(13,717)
Other comprehensive income/(expense)							
Actuarial gain/(loss) in respect of defined benefit pension scheme	-	-	-	24,196	24,196	(1,491)	22,705
Deferred tax in respect of defined benefit pension scheme	-	-	-	(3,103)	(3,103)	257	(2,846)
Total comprehensive income for the year	-	-	-	5,568	5,568	574	6,142
Balance at 31 March 2022	**11,964**	**467**	**16,200**	**(639)**	**27,992**	**(1,095)**	**26,897**

The notes on pages 29 to 86 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended 31 March 2023

	Share capital	Revaluation reserve	Capital contribution reserve	(Accumulated losses)/retained earnings	Total attributable to owners of the parent	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2022	11,964	467	16,200	(639)	27,992	(1,095)	26,897
(Loss)/profit for the year	-	-	-	(5,936)	(5,936)	121	(5,815)
Other comprehensive income							
Revaluation of property, plant and equipment	-	9,308	-	-	9,308	-	9,308
Actuarial gain in respect of defined benefit pension scheme	-	-	-	12,232	12,232	2,785	15,017
Deferred tax in respect of defined benefit pension scheme	-	-	-	(3,058)	(3,058)	(696)	(3,754)
Total comprehensive income for the year	-	9,308	-	3,238	12,546	2,210	14,756
Balance at 31 March 2023	**11,964**	**9,775**	**16,200**	**2,599**	**41,538**	**1,115**	**41,653**

Consolidated statement of cash flows for the year ended 31 March 2023

	Note	**31 March 2023 £'000**	31 March 2022 £'000
Operating activities			
Loss before tax		**(8,517)**	(12,698)
Non-cash adjustments	33	**20,247**	30,724
Contributions to defined benefit pension plans	27	**(3,572)**	(3,552)
Net changes in working capital	33	**(3,405)**	(3,642)
Income tax paid		**(933)**	(1,043)
Net cash generated from operating activities		**3,820**	9,789
Investing activities			
Purchase of property, plant and equipment		**(4,936)**	(3,300)
Purchase of intangible assets		**(123)**	-
Proceeds from sale of property, plant and equipment		**1,100**	1,304
Proceeds from sale of right-of-use assets		**227**	604
Interest received		**257**	-
Net cash used in investing activities		**(3,475)**	(1,392)
Financing activities			
Proceeds from loans from parent undertaking		**-**	3,000
Repayment of bank loans		**(2,708)**	(5,554)
Repayment of loan from parent undertaking		**(707)**	(3,439)
Interest paid		**(1,407)**	(1,354)
Capital element of lease repayment		**(6,267)**	(7,287)
Net cash used in financing activities		**(11,089)**	(14,634)
Net decrease in cash and cash equivalents		**(10,744)**	(6,237)
Cash and cash equivalents at the beginning of the year		**17,265**	23,502
Cash and cash equivalents at the end the year		**6,521**	17,265
Cash and cash equivalents comprise:			
Cash at bank		**6,521**	17,265
		6,521	17,265

The notes on pages 29 to 86 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. General information

The company is a private limited company by shares, incorporated and domiciled in the UK. The address of its registered office is 280 Fifers Lane, Norwich, Norfolk, NR6 6EQ.

Norse Group comprises Norse Commercial Services Limited, Norse Consulting Group Limited, Norse Care Limited and Norse Group Holdings Limited. These subgroups deliver many services through subsidiaries. The full list of subsidiaries is included in note 5 to the company financial statements.

2. Summary of accounting policies

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

2.1. Basis of preparation

The consolidated financial statements of the Norse Group Limited have been prepared in accordance with UK adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements have been prepared under the historical cost convention, modified by revaluation of financial assets and liabilities held at fair value through profit or loss, unless otherwise stated within these accounting policies. The significant accounting policies that have been applied in the preparation of the consolidated financial statements are summarised below.

The preparation of financial statements in conformity with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards require the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.24.

All amounts in the financial statements and notes have been rounded off to the nearest thousand Sterling Pound, unless otherwise stated.

2.2. Going concern

Going Concern

The long-term nature of the Group's contracts protects the business from significant changes. The reduction in revenue seen for Norse Consulting in the year is expected to stabilise going forward.

The medium-term projections to 2028 continue to reflect an improving trading position from 2023 and the directors remain confident that, whilst revenues will slightly reduce over the next year due to inflationary pressures, margins will improve a little to compensate for reduced revenue. Additionally, the Group will pursue further growth opportunities to strengthen revenues beyond the projections.

Notes to the consolidated financial statements

2. Summary of accounting policies (continued)

2.2. Going concern (continued)

To ensure that the Group has appropriately assessed the potential risks and implications, including financial resources that are required for the foreseeable future, it has considered a number of severe but plausible scenarios on the following basis:

- The existing budgets have been projected forward, reflecting the loss of any contracts known to be ending but excluding any new contracts that may be secured, to establish a baseline.
- Each area of the business has then been considered and assessed as to what a severe but realistic adverse event may occur, such as a significant reduction in revenues or increases in costs, including the mitigation that would occur in such an instance.
- The scenarios have been weighted based on senior management judgement to assess the likelihood of occurrence.
- In addition to this, unmitigated impacts have also been considered to assess the potential impact.

Based on the overall weighted scenarios due to the long-term security of many of the Group's contracts and the way it delivers its services and the inherent flexibility in its cost base, the Group's resources remain well within the existing working capital resources.

As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, it remains appropriate to prepare the financial statements on a going concern basis.

2.3. Basis of consolidation

The Group financial statements consolidate those of the parent company and all of its subsidiary undertakings as at 31 March 2023. The group controls an entity when the Group is expected to or has the right to variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date on which that control ceases.

All subsidiaries within the Group have a reporting date of 31 March.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The Income statement and other comprehensive income of subsidiaries acquired or disposed of during the year is recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests represent the portion of a subsidiary's income statement and net assets or liabilities that is not held by the Group. In accordance with IFRS 10 all earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest in the absence of explicit agreements to the contrary, even if the attribution of losses to the non-controlling interest results in a debit balance in shareholders' equity.

Notes to the consolidated financial statements

2. Summary of accounting policies (continued)

2.4. Business combinations

Business combinations occurring on or after 1 February 2009 are accounted for using the acquisition method under the revised IFRS 3 Business Combinations (IFRS 3R). The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed, including contingent liabilities, in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in the Income statement immediately.

2.5. Investments in associates and joint ventures

Entities whose economic activities are controlled jointly by the Group and other parties independent of the Group (joint ventures) are accounted for using the using the equity method of accounting.

Within the financial statements the term 'joint venture partnerships' is used to describe all arrangements with local authorities. It should be noted that under IFRS 11 joint arrangements only the arrangements with Beattie Passive Norse Limited, Broadland Growth Limited, Mid Suffolk Growth Limited, Babergh Growth Limited and Caldecott Developments Limited would meet the accounting definition of a joint venture.

Acquired investments in joint ventures are also subject to the purchase method as explained in note 2.4 above. However, any goodwill or fair value adjustment attributable to the Group's share in the joint venture is included in the amount recognised as investment in joint ventures.

All subsequent changes to the Group's share of interest in the equity of the joint venture are recognised in the carrying amount of the investment. Changes resulting from the Income statement generated by the joint venture are reported within 'Share of profit from equity accounted investments' in the Income statement. These changes include subsequent depreciation, amortisation or impairment of the fair value adjustments of assets and liabilities.

Changes resulting from other comprehensive income of the joint venture or items recognised directly in the joint venture's equity are recognised in other comprehensive income or equity of the Group, as applicable.

Unrealised gains and losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment losses from a group perspective.

Amounts reported in the financial statements of joint ventures have been adjusted where necessary to ensure consistency with the accounting policies of the Group.

Notes to the consolidated financial statements

2. Summary of accounting policies (continued)

2.6. Segmental reporting

The Group is not required to include information required by IFRS 8: Operating Segments on the grounds that the entity does not have any debt or equity instruments which are traded in a public market.

2.7. Revenue

Norse Commercial Services

Facilities Maintenance & Management and transport
The Group carries out a range of facilities maintenance & management and transport services. For many of these services (grounds maintenance and waste collection etc.) there is an agreed annual fee and revenue is recognised as the service is provided throughout the year. 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.

The main exceptions to this are noted below:

- Catering - revenue is recognised based on the number of meals sold in the year and therefore at a point in time.
- Security services - revenue is recognised at a point in time when the event takes place.
- Cleaning services - revenue is recognised based on the number of hours worked, typically on a monthly basis but varies depending on the contractual agreement in place.
- Building maintenance - revenue is recognised using the percentage of completion method by the percentage of costs incurred to date to the estimated total costs for each contract.

Environmental Services
Revenue from environmental services arises primarily from the sale of recyclables and the operation of landfill sites and composting facilities. Revenue from the sale of recyclables is recognised when control passes to the customer. Revenue from the operation of landfill sites and composting facilities is recognised in the period in which the waste is delivered and is based on the quantity of the waste that is disposed of.

Highways Maintenance
Highways maintenance carries out a range of services from providing repair services such as potholes, verges, signs, drainage, tar & chip and re-surfacing, seasonal gritting and snow removal, vehicle maintenance of Norfolk Fire and Rescue vehicles, winter gritters and highways vehicles, laboratory testing and pavement engineering and lastly, training courses including Drivers CPC, street works and traffic management. Sales price is calculated at a cost-plus model and revenue is recognised at a point in time when the service is delivered.

Notes to the consolidated financial statements

2. Summary of accounting policies (continued)

2.7 Revenue (continued)

Norse Consulting Group

Property Consultancy Services

Revenue in respect of providing property consultancy services is generally earned under fixed sum contracts or under fixed term service agreements. Revenue is recognised using the percentage of completion method measured by the percentage of costs incurred to date to the estimated total costs for each contract.

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.

Norse Care

Care Services

The Group delivers the management and operation of residential care homes and the provision of care services. The majority of the services are carried out for an agreed annual fee and revenue is recognised on a time-elapsed basis as the principal contractual obligation is to provide bed capacity. Units of care under these contracts are typically provided on a daily basis.

Revenue for spot purchases and private bed sales are recognised when the principal contractual obligation is fulfilled, that is typically when a service user has received care services, which are usually provided on a daily basis.

The Group 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. Consequently, the group does not adjust any of the transaction prices for the time value of money.

Norse Group Holdings

Norse Group Holdings (NGH) activities relate predominately to the holding of capital assets such as land and buildings and investments in renewable energy products. Revenue is predominantly therefore related to the rental of assets.

2.8. Finance Income

Finance income is recognised using the effective interest method. When a loan receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Finance income on impaired loan and receivables is recognised using the original effective interest rate.

2.9. Finance Costs

Finance costs are charged to the Income statement 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.

Notes to the consolidated financial statements

2. Summary of accounting policies (continued)

2.10. Operating expenses

Operating expenses are recognised in Income statement upon utilisation of the service.

2.11. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in 'finance costs' (see note 10).

2.12. Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated impairment losses. It is reviewed for impairment at least annually. Any impairment is recognised immediately in the Income statement and is not subsequently reversed. Impairment testing is disclosed further in note 2.16.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the Income statement on disposal.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

2.13. Other Intangible assets

Intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in note 2.16.

The amortisation charge for the year is included within administrative expenses. Computer software is amortised at 20% per annum on a straight line basis.

The useful lives are detailed in note 13.

Notes to the consolidated financial statements

2. Summary of accounting policies (continued)

2.14. Property, plant and equipment

Buildings, plant and machinery, motor vehicles, computer equipment, and other equipment (comprising fixtures and fittings) are carried at acquisition cost or manufacturing cost less subsequent depreciation and impairment losses with the exception of Care Homes which are carried at revaluation less accumulated depreciation.

Depreciation is recognised to write down the cost (or revaluation) less estimated residual value of property, plant and equipment other than freehold land and assets in the course of construction. The periods generally applicable are:

Freehold & Leasehold Property		
Leasehold property improvements	-	over period of lease
Freehold land	-	not depreciated
Freehold property	-	2% 10% straight line
Care homes	-	revaluation less accumulated depreciation
Plant, fixtures & fittings	-	4% - 33% straight line
Motor vehicles	-	6% - 50% straight line
Computer equipment	-	20 – 25% straight line
Assets in the course of construction	-	not depreciated

Leased assets are depreciated over the life of the lease.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the Income statement within 'administrative expenses'.

Care Homes are considered a separate class of assets, and there has been a change of accounting policy on 31 March 2023 to carry these at revaluation less accumulated depreciation. Revaluations are carried out every 3-5 years as the fair value of Care Homes is not expected to experience significant or volatile changes and therefore this is deemed sufficient to ensure that carrying values do not differ significantly from the fair value.

Previously, the Care Homes transferred in from Norfolk County Council were not depreciated as the directors considered that the carrying values would not be significantly different to the residual values and any depreciation charges would not be material. The new accounting policy is more appropriate as it brings consistency to the accounting treatment of land and buildings across the group and is consistent with IAS16 Property, Plant and Equipment. Refer note 14 for further detail.

When the Care Homes are revalued, the carrying amount of the assets is adjusted to the revalued amount. At the date of the revaluation the accumulated depreciation is eliminated against the gross carrying amount of the asset.

Notes to the consolidated financial statements

2. Summary of accounting policies (continued)

2.15. Leased assets

Lessee

Leases are recognised as right-of use assets with a corresponding liability at the date from which the leased asset is available for use by the group. The leases are typically for fixed periods in excess of one year but may have extension options.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the group under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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

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 'Right of use assets' line 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.

The lease liability is included within 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.

Notes to the consolidated financial statements

2. Summary of accounting policies (continued)

2.15. Leased assets (continued)

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

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 group 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 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 group, 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.

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

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the Income statement. Short-term leases are leases with a lease term of 12 months or less.

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.

Lessor

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

Notes to the consolidated financial statements

2. Summary of accounting policies (continued)

2.16. Impairment testing

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements.

Discount factors are determined individually for each cash generating unit and reflect their respective risk profiles as assessed by management.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Notes to the consolidated financial statements

2. Summary of accounting policies (continued)

2.17. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs. Financial assets and financial liabilities are measured subsequently as described below.

Financial assets
All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of financial assets. All of the Group'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 the Income statement to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in the Income statement includes any dividend or interest earned on the financial asset.

Under IFRS 9 only assets which consist of solely payments of principle and interest ("SPPI") can be recorded at amortised cost. All financial assets held by the Group are SPPI and can therefore be subsequently measured at amortised cost.

The Group's financial assets include trade receivables and cash and cash equivalents.

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

Trade receivables are initially recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost, less any provision for impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in the Income statement. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Income statement.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities
The Group's financial liabilities include trade and other payables, borrowings and obligations under finance leases.

Notes to the consolidated financial statements

2. Summary of accounting policies (continued)

2.17. Financial instruments (continued)

Trade and other payables

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

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

Borrowings

Borrowings are initially recognised at fair value net of any transaction costs associated with the issue of the relevant financial liability. Subsequent to initial measurement, borrowings are measured at amortised cost with the borrowing costs being accounted for on an accruals basis in the income statement using the effective interest rate method. At the balance sheet date accrued interest is recorded separately from the associated borrowings within current liabilities.

2.18. Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. When recognising and measuring a provision, events occurring after the reporting date, and before authorisation for issue, are considered to determine whether such events provide additional evidence of conditions that existed at the reporting date and should therefore be adjusted for.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.19. 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.

Notes to the consolidated financial statements

2. Summary of accounting policies (continued)

2.20. Income taxes

The tax expense represents the sum of the tax currently payable and deferred tax not recognised in other comprehensive income or directly in equity.

The tax payable in respect of the year is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantially enacted by the reporting date.

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

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

Deferred tax is calculated, without discounting, based on the laws enacted or substantially enacted by the reporting date and at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

2.21. Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued. The revaluation reserve within equity relates to gains on the revaluation of property, plant and equipment prior to the date of transition, at which point the revalued amount became the deemed cost. The capital contribution reserve relates to assets gifted to the group by the ultimate parent undertaking. Retained earnings include all current and prior period retained profits.

Notes to the consolidated financial statements

2. *Summary of accounting policies (continued)*

2.22. Employee benefits

The Group has a number of pension schemes, both of a defined benefit and defined contribution nature. Full details are provided in note 27.

Defined benefit schemes
The defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in a separate trustee-administered fund.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets.

The Group estimates the DBO annually using the projected unit method with the assistance of independent actuaries. The estimate of its post-retirement benefit obligations is based on standard rates of inflation and mortality. It also takes into account the Group's specific anticipation of future salary increases. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are recognised in full in the period in which they occur through the statement of comprehensive income.

Past service costs are recognised immediately in the Income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

The interest cost on the net obligations and the interest income are shown within either finance income or finance costs, as appropriate.

For certain defined benefit schemes, on termination of the service agreement, the employees and associated defined benefit liability will revert back to the relevant local authority. Where this is the case, the net defined benefit obligation or asset that the Group expects to fund or recover over the remaining period of the service agreement is recognised in the statement of financial position.

Defined contribution schemes
Employees of certain Group companies are members of various local government pension schemes. Under the terms of the relevant transfer agreements, the actuarial risks associated with the schemes remain with the relevant Council. Furthermore, these subsidiary companies will only participate in the local government scheme for a finite period up to the end of the contract. The contributions paid by these companies are set in relation to the current service period only and as such the group has accounted for the contributions to these schemes as if they were a defined contribution scheme.

Contributions to other defined contribution schemes are charged to Income statement when they fall due on an accruals basis.

Short-term employee benefits
Short-term employee benefits, including holiday entitlement, are current liabilities included in 'accruals and deferred income', measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

Notes to the consolidated financial statements

2. Summary of accounting policies (continued)

2.23. Other operating income

Other operating income consists of government grants and other income attributable to the year that cannot be classified under any of the other income categories.

Government grants received on capital expenditure are initially recognised within deferred income on the company's Statement of financial position and are subsequently recognised in the Income statement on a systematic basis over the useful life of the related capital expenditure.

Grants for revenue expenditure are presented as part of the Income statement in the periods in which the expenditure is recognised.

2.24. Accounting judgements and estimates

To be able to prepare financial statements in accordance with IFRS, 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 historical experience and various other assumptions that management and the Board of directors believe are reasonable under the circumstances. The results of this form the basis for making judgements about the carrying value of assets and liabilities that are not readily available from other sources.

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

Information about 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 makes significant judgements about milestones, actual work performed and the estimated costs to complete the work. Further information on the Group's accounting policy for these contracts is provided in note 2.7.

The Group uses the percentage-of-completion method to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the reporting date as a percentage of total estimated costs for each contract.

Leases
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).

Notes to the consolidated financial statements

2. Summary of accounting policies (continued)

2.24. Accounting judgements and estimates (continued)

Critical judgements (continued)

Non-depreciation of care homes
Up to 31 March 2023, as disclosed in note 14, no depreciation has been charged on the Care Homes transferred in from Norfolk County Council as the directors consider that the present carrying value will not be significantly different to the residual value and therefore any depreciation charge would not be material.

A change in accounting policy has occurred in the current year with all Care Homes being revalued on 31 March 2023. This has been reflected in note 14. All Care Homes from 31 March 2023 onwards will be carried at revaluation less accumulated depreciation.

Critical estimates

Impairment of goodwill
The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy previously stated. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. Further details of the estimates used are set out in note 12.

Defined benefit liability
The value of the defined benefit plan liabilities is determined by using various long term actuarial assumptions, including future rates of inflation, growth yields, returns on investments and mortality rates.

The value of the defined benefit scheme recorded on the balance sheet is currently subject to IFRIC 14, which under certain circumstances requires an adjustment to turn an accounting surplus into a liability equal to the present value of committed future payments of the scheme. Determining the IFRIC 14 adjustment requires the use of actuarial assumptions to project forward the funding position of the scheme over the commitment period. As actual changes in inflation, growth, yields and investment returns may differ from those assumed, this is a key source of estimation uncertainty within the financial statements. Changes in these assumptions over time and differences to the actual outcome will be reflected in the statement of comprehensive income.

Note 27 details the main assumptions in accounting for the Group's defined benefit pension scheme along with sensitivities of the liabilities to changes in these assumptions.

Notes to the consolidated financial statements

2. Summary of accounting policies (continued)

2.24. Accounting judgements and estimates (continued)

Critical estimates (continued)

Leases
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 group, 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, county, currency and security.

2.25. Adoption of new and revised International Financial Reporting Standards

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2022:

- Onerous Contracts – cost of fulfilling a contract – Amendments to IAS 37; and
- Revised Conceptual Framework for Financial Reporting

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Management anticipates that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement.

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Notes to the consolidated financial statements

3. Revenue

The following significant categories of revenue were recognised in the year:

	2023 £'000	2022 £'000
Property consultancy and design services	**53,962**	62,887
Cleaning services	**15,808**	21,640
Catering services	**23,205**	18,468
Facilities maintenance & management services (including security and building maintenance)	**95,182**	74,578
Transport services	**15,139**	13,621
Highways services	**20,967**	21,403
Environmental services, including sale of recyclables	**88,180**	88,883
Care Services	**46,180**	43,580
	358,623	345,060

All revenue has arisen in the United Kingdom.

The revenue recognised in the current reporting period that relates to carried-forward contract liabilities is £1,713k (2022: £1,920k). This fully relates to property consultancy and design services. Total contract liabilities are detailed in Note 21.

Notes to the consolidated financial statements

4. Operating loss

Group operating loss is stated after charging / (crediting):

	2023 **£'000**	2022 £'000
Inventory recognised as an expense	**24,316**	28,905
Amortisation of intangible assets (note 13)	**91**	98
Grant amortisation	**(146)**	(146)
Depreciation of owned property, plant and equipment (note 14)	**4,292**	4,606
Depreciation of property, plant and equipment held under lease (note 15)	**6,475**	6,809
(Profit)/loss on disposal of property, plant and equipment	**(1,219)**	46
Operating lease expense relating to short-term leases	**572**	479
Operating lease expense relating to leases of low value assets	**90**	91
Auditors' remuneration – audit of the company financial statements	**16**	15
- Auditors' remuneration – other fees (see below)	**758**	669
Non-recurring items within administrative expenses		
- Impairment of property, plant and equipment	**4,594**	7,477
- Impairment of Goodwill	**-**	4,397
- Profit on disposal of subsidiary company	**(103)**	-

The Group recognised an impairment loss of £4,594k (2022: £11,875k) in the year which has been classified as non-recurring. See note 14 for more detail.

5. Auditors' remuneration

The Group paid the following amounts to its auditors:

	2023 **£'000**	2022 £'000
Auditors' remuneration – audit of the company financial statements	**16**	15
Auditors' remuneration – other fees:		
- Statutory audit of subsidiaries	**758**	669
	774	684

Notes to the consolidated financial statements

6. Particulars of employees

The average monthly number of staff employed by the group during the financial year amounted to:

	2023 Number	2022 Number
Property consultancy and design	**412**	527
Business support	**655**	681
Catering services	**852**	902
Cleaning services	**1,767**	1,944
Facilities management	**1,152**	1,245
Transport	**369**	418
Waste management operations and environmental services	**1,319**	1,349
Care Services	**1,612**	1,657
	8,138	8,723

The aggregate payroll costs of the above were:

	2023 £'000	2022 £'000
Wages and salaries	**156,911**	156,068
Social security costs	**13,794**	12,653
Other pension costs:		
- Defined benefit schemes (note 27)	**4,180**	4,423
- Defined contribution schemes (note 27)	**7,919**	7,519
	182,804	180,663

Pension costs are amounts charged to operating profit and do not include amounts charged to finance costs (note 10) and amounts recognised within other comprehensive income.

Notes to the consolidated financial statements

7. Directors

Remuneration in respect of directors was as follows:

	2023 **£'000**	2022 £'000
Emoluments receivable in respect of services to subsidiary undertakings	**379**	444

The above disclosure excludes three directors (2022: seven) who received no remuneration for the services provided to the group. The aggregate emoluments of the highest paid director were £236k (2022: £251k). In respect of the defined benefit pension scheme, at the year end the highest paid director had an annual accrued pension entitlement of £32k (2022: £19k).

The above disclosure includes £nil (2022: £13k) of payments made as compensation for loss of office.

The number of directors who accrued benefits under group pension scheme during the year was as follows:

	2023 **Number**	2022 Number
Defined benefit schemes	**1**	1

Notes to the consolidated financial statements

8. Investments accounted for using the equity method

	Investment in joint ventures £'000
Cost and net book value	
At 1 April 2021	307
Share of result for the financial year	(90)
Adjustment in respect of prior year	19
Acquisition of interest in joint venture	-
At 31 March 2022	236
Share of result for the financial year	(114)
Adjustment in respect of prior year	134
Acquisition of interest in joint venture	-
At 31 March 2023	**256**
The above investments consist of:	
Share of gross assets	1,776
Share of gross liabilities	(1,520)
	256

The investments in joint ventures are detailed in Note 16.

9. Finance income

	2023 £'000	2022 £'000
Bank interest receivable	**1**	-
Interest receivable on deposits with ultimate parent undertaking	**185**	-
Other interest receivable	**70**	-
	256	-

10. Finance costs

	2023 £'000	2022 £'000
Interest payable on bank borrowings (note 24)	**268**	400
Interest payable on loans from ultimate parent undertaking (note 24)	**691**	318
Net finance charge in respect of defined benefit pension schemes (note 27)	**744**	978
Interest payable in respect of leases (note 23)	**636**	768
Other interest	**-**	8
	2,339	2,472

Notes to the consolidated financial statements

11. Taxation

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

	2023 £'000	2022 £'000
Current tax:		
Corporation tax based on the loss for the year	**(1,596)**	2,170
Adjustment in respect of prior period	**(1,866)**	294
Total current tax	**(3,462)**	2,464
Deferred tax: (note 18)		
Retirement benefit obligation (note 27)	**-**	-
Origination and reversal of temporary differences	**(193)**	(847)
Adjustments to tax charge in respect of prior year	**953**	24
Change in tax rates	**-**	(622)
Total deferred tax	**760**	(1,445)
Total tax (credit)/charge for the year (note 11 (b))	**(2,702)**	1,019

(b) Factors affecting the tax (credit)/charge

The taxation assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The (credit)/charge is affected by a number of factors in addition to the standard UK rate. The differences are explained as follows:

	2023 £'000	2022 £'000
Loss before taxation	**(8,517)**	(12,698)
Loss before taxation multiplied by standard rate of tax 19% (2022: 19%)	**(1,618)**	(2,412)
Tax effects of:		
Expenses not deductible for tax purposes	**383**	2,488
Capital allowances in excess of depreciation	**(385)**	-
Income not chargeable for tax purposes	**(323)**	61
Impact of changes in statutory tax rates	**(45)**	(93)
Losses carried back	**(58)**	-
Accumulation of tax losses not recognised	**228**	658
Adjustments to tax (credit)/charge in respect of prior year	**(884)**	317
Total tax (credit)/charge for the year (note 11 (a))	**(2,702)**	1,019

Notes to the consolidated financial statements

11. Taxation (continued)

(c) Factors affecting future tax charges

The Government made a number of budget announcements on 3 March 2021. These include confirming that the rate of corporation tax will increase to 25% from 1 April 2023. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

12. Goodwill

	£'000
Cost	
At 1 April 2022 and at 31 March 2023	**4,476**
Impairment	
At 1 April 2022 and at 31 March 2023	**4,476**
Net book value	
At 1 April 2022	-
At 31 March 2023	-

The goodwill balance is summarised by cash generating unit as follows:

	31 March 2023 £'000	31 March 2022 £'000
Hamson Barron Smith Limited	-	-
Eventguard Limited	-	-
	-	-

Notes to the consolidated financial statements

12. Goodwill (continued)

The carrying values of the Group's goodwill balances are reassessed at least annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If analysis indicates that the carrying value is too high, then this is reduced to its recoverable amount which is the higher of fair value less costs to sell and its value in use. Value in use is calculated using pre-tax cash flow projections based on financial budgets and business plans covering a twelve-month period. These have been extrapolated for the units remaining useful lives using the growth rates stated below.

The key assumptions for the value in use, other than revenue cashflow forecast calculations, are those regarding the operating margin, discount rates and growth rates and these are as set out below.

	Operating margin		**Growth rates**		**Discount rates**	
	2023	2022	**2023**	2022	**2023**	2022
	%	%	%	%	%	%
Hamson Barron Smith Limited	**2.4**	2.4	-	-	**5-10**	5-10
Eventguard Limited	-	-	-	-	**5**	5

Operating margins are estimated by management based on historical trends and market conditions. Discount rates are estimated by management using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the cash generating units. The growth rate is based on the average growth rate of the UK economy since the Second World War. Management considers this to be a reasonable basis for the estimate of the future growth rate in each of the relevant markets.

In the prior year, the assessment of the ongoing cash flows of both Hamson Barron Smith and Eventguard resulted in the full impairment of the goodwill values previously carried on the balance sheet.

Notes to the consolidated financial statements

13. Other intangible assets

	Computer software £'000	Other intangible assets £'000	Total £'000
Cost or Valuation			
At 1 April 2021	1,922	1,187	3,109
Additions	44	-	44
Transfers	(137)	(4)	(141)
At 31 March 2022	**1,829**	**1,183**	**3,012**
Additions	149	-	149
Disposals	(186)	-	(186)
At 31 March 2023	**1,792**	**1,183**	**2,975**
Accumulated Amortisation			
At 1 April 2021	1,646	1,178	2,824
Charge for the year	94	4	98
Transfers	(135)	-	(135)
At 31 March 2022	**1,605**	**1,182**	**2,787**
Charge for the year	90	1	91
Disposals	(180)	-	(180)
At 31 March 2023	**1,515**	**1,183**	**2,698**
Net book value at 31 March 2023	**277**	**-**	**277**
Net book value at 31 March 2022	224	1	225

Computer software is amortised on a straight-line basis over its useful economic life of five years.

Notes to the consolidated financial statements

14. Property, plant and equipment

	Freehold property & leasehold improvements £'000	Care Homes £'000	Plant, fixtures & fittings £'000	Motor vehicles £'000	Computer equipment £'000	Assets in the course of construction £'000	Total £'000
Cost							
At 1 April 2021	62,270	-	47,741	6,601	420	64	117,096
Additions	788	-	2,115	182	64	9	3,158
Disposals	47	-	(2,409)	(3,344)	(264)	-	(5,970)
Transfers	36	-	179	1,346	-	(36)	1,525
At 31 March 2022	**63,141**	**-**	**47,626**	**4,785**	**220**	**37**	**115,809**
Additions	1,171	-	2,867	851	20	(1)	4,908
Disposals	(585)	-	(1,584)	(4,452)	(76)	-	(6,697)
Reclassification	(26,433)	26,433	-	-	-	-	-
Revaluation	(220)	6,721	-	-	-	-	6,501
Transfers	(97)	-	75	2,589	(24)	(23)	2,520
At 31 March 2023	**36,977**	**33,154**	**48,984**	**3,773**	**140**	**13**	**123,041**
Accumulated depreciation							
At 1 April 2021	15,501	-	23,497	4,868	168	-	44,034
Charge for the year	1,117	-	2,904	472	113	-	4,606
On disposals	63	-	(2,085)	(2,316)	(256)	-	(4,594)
Impairment losses	7,477	-	-	-	-	-	7,477
Transfers	-	-	161	938	-	-	1,099
At 31 March 2022	**24,158**	**-**	**24,477**	**3,962**	**25**	**-**	**52,622**
Charge for the year	895	-	2,903	408	86	-	4,292
On disposals	(585)	-	(1,358)	(4,065)	(67)	-	(6,075)
Impairment losses	-	-	4,594	-	-	-	4,594
Reclassification	(2,807)	2,807	-	-	-	-	-
Revaluation	-	(2,807)	-	-	-	-	(2,807)
Transfers	144	-	(52)	2,398	-	-	2,490
At 31 March 2023	**21,805**	**-**	**30,564**	**2,703**	**44**	**-**	**55,116**
Net book amount at 31 March 2023	**15,172**	**33,154**	**18,420**	**1,070**	**96**	**13**	**67,925**
Net book amount at 31 March 2022	38,983	-	23,149	823	195	37	63,187

Notes to the consolidated financial statements

14. Property, plant and equipment (continued)

An impairment loss of £4,594k (2022: £7,477k) has been recognised in the consolidated income statement in the current year. This relates to the photovoltaic assets held within Norse Energy Limited. The directors have assessed the value of these assets to the Group at 31 March 2023 based on the present value of future cash flows generated by these assets. This has resulted in an impairment loss of £4,594k and a subsequent net book value amount of £5,210k. In the prior year, the impairment loss related to property held within Norse Development Company Limited.

As part of a review to standardise the treatment of properties across the Group, Care Homes are now considered a separate class of assets and the reclassification in the table above reflects this as they were previously disclosed in Freehold property & leasehold improvements.

There has been a change of accounting policy on 31 March 2023 to carry these at revaluation less accumulated depreciation. Revaluations are carried out every 3-5 years as the fair value of Care Homes is not expected to experience significant or volatile changes and therefore this is deemed sufficient to ensure that carrying values do not differ significantly from the fair value.

When the Care Homes are revalued, the carrying amount of the assets is adjusted to the revalued amount. At the date of the revaluation the accumulated depreciation is eliminated against the gross carrying amount of the asset.

A revaluation of £9,077k (2022: £nil) has been recognised in the consolidated reserves in the current year relating to the Care Homes held in Norse Care Limited.

Freehold land and buildings at Attleborough has been re-classified as an asset held for sale. The sale was completed on 21 July 2023. The asset was held at valuation and has been revalued by £220k before transferring to assets held for sale at the recoverable amount of £150k.

The net book value of freehold and leasehold property comprises the following:

	2023 £'000	2022 £'000
Freehold property	**14,387**	25,879
Care Homes subject to revaluation and depreciation (note 2.24)	**33,154**	-
Non-depreciated care homes (note 2.24)	**-**	10,451
Leasehold improvements	**785**	2,653
	48,326	38,983

Freehold and leasehold property includes land of £8,329k (2022: £8,699k) which is not depreciated.

With regard to assets previously carried at a valuation, the valuations are deemed to be the existing cost at the point of transition.

Notes to the consolidated financial statements

15. Right-of-use-assets

	Leasehold property £'000	Plant, fixtures & fittings £'000	Motor vehicles £'000	Computer Software £'000	Total £'000
Cost					
At 1 April 2021	7,172	1,900	29,473	2,253	40,798
Additions	208	89	3,183	628	4,108
Disposal	(483)	(28)	(1,482)	-	(1,993)
Transfers	-	(179)	(1,346)	-	(1,525)
At 31 March 2022	**6,897**	**1,782**	**29,828**	**2,881**	**41,388**
Additions	571	123	1,860	398	2,952
Disposals	(2,530)	(116)	(951)	(734)	(4,331)
Transfers	-	(6)	(2,585)	-	(2,591)
At 31 March 2023	**4,938**	**1,783**	**28,152**	**2,545**	**37,418**
Accumulated depreciation					
At 1 April 2021	1,835	1,345	12,825	924	16,929
Charge for the year	1,054	257	4,624	874	6,809
On disposals	(483)	(24)	(923)	-	(1,430)
Transfers	-	(161)	(938)	-	(1,099)
At 31 March 2022	**2,406**	**1,417**	**15,588**	**1,798**	**21,209**
Charge for the year	798	141	4,816	720	6,475
On disposals	(986)	(116)	(628)	(517)	(2,247)
Transfers	-	(6)	(2,395)	-	(2,401)
At 31 March 2023	**2,218**	**1,436**	**17,381**	**2,001**	**23,036**
Net book amount at 31 March 2023	**2,720**	**347**	**10,771**	**544**	**14,382**

The following amounts in respect of leases, where the group is lessee, have been recognised in the Income statement:

	2023 £'000	2022 £'000
Interest expense on lease liabilities	**636**	768
Expenses relating to short-term leases	**572**	479
Expenses relating to low value leases	**90**	91

The total cash outflow for leases during the year-ended 31 March 2023 was £6,267k (2022: £7,496k).

Notes to the consolidated financial statements

16. Investments in joint ventures

NPS Property Consultants Limited owns 50% of the issued share capital of Beattie Passive Norse Limited ('BPN'), a company incorporated in the United Kingdom. The principal activity of the joint venture is the construction of energy efficient buildings.

Norse Group Holdings Limited owns 50% of the issued share capital of Broadland Growth Limited ('BGL'), a company incorporated in United Kingdom. The principal activity of the company is property construction and development.

Norse Group Holdings Limited owns 50% of the issued share capital of Mid Suffolk Growth Limited ('MSG'), a company incorporated in the United Kingdom. The principal activity of the company is property development.

Norse Group Holdings Limited owns 50% of the issued share capital of Babergh Growth Limited ('BAB'), a company incorporated in the United Kingdom. The principal activity of the company is property development.

In October 2021, Norse Group Holdings Limited acquired 50% of the issued share capital of Caldecott Developments Limited ('Caldecott'), a company incorporated in the United Kingdom. The principal activity of the company is property development.

The nature of the joint venture agreements with the joint venture means the group does not have overall control of the joint venture entities and hence these are accounted for using the equity method.

Notes to the consolidated financial statements

16. Investments in joint ventures (continued)

Set out below is the summarised financial information for these joint ventures:

	BPN		BGL		Caldecott		MSG		BAB	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000
Non-current assets	-	-	-	-	-	-	-	-	-	-
Current assets	**4**	4	**577**	770	-	-	**2,974**	4,487	**2,005**	823
Total assets	**4**	4	**577**	770	-	-	**2,974**	4,487	**2,005**	823
Non-current liabilities	-	-	-	-	-	-	-	-	-	-
Current liabilities	**(5,892)**	(5,892)	**(116)**	(348)	-	-	**(2,925)**	(4,451)	**(2,030)**	(813)
Total liabilities	**(5,892)**	(5,892)	**(116)**	(348)	-	-	**(2,925)**	(4,451)	**(2,030)**	(813)
Revenue	-	46	**12**	-	-	-	**726**	4,032	**1,386**	113
Interest (expenses)/income	-	-	-	(431)	-	-	**43**	(44)	-	-
Pre-tax loss from operations	-	(19)	**(45)**	(181)	-	-	**(171)**	-	**(35)**	-
Income tax expense	-	-	-	-	-	-	-	-	-	-
Post tax loss from operations	-	(19)	**(45)**	(181)	-	-	**(171)**	-	**(35)**	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive expense	-	(19)	**(45)**	(181)	-	-	**(171)**	-	**(35)**	-

Notes to the consolidated financial statements

16. Investments in joint ventures (continued)

Reconciliation of summarised financial information	BPN		BGL		Caldecott		MSG		BAB	
	2023 £'000	2022 £'000	**2023 £'000**	2022 £'000	**2023 £'000**	2022 £'000	**2023 £'000**	2022 £'000	**2023 £'000**	2022 £'000
Opening net (liabilities)/assets	**(5,888)**	(5,869)	**423**	601	**1**	-	**37**	11	**10**	1
Adjustment in respect of prior year	**-**	-	**84**	3	**-**	-	**183**	26	**-**	9
Loss for the year	**-**	(19)	**(45)**	(181)	**-**	-	**(171)**	-	**(35)**	-
Distributions	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Issue of share capital	**-**	-	**-**	-	**-**	1	**-**	-	**-**	-
Other reserve movements	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Closing net (liabilities)/assets	**(5,888)**	(5,888)	**462**	423	**1**	1	**49**	37	**(25)**	10
Interest in joint venture at 50% (b/fwd)	**-**	-	**212**	301	**1**	-	**18**	5	**5**	-
Adjustment in respect of prior year	**-**	-	**42**	1	**-**	-	**92**	13	**-**	5
Share of loss in current year	**-**	-	**(23)**	(90)	**-**	-	**(86)**	-	**(5)**	-
Acquisition of interest in joint venture	**-**	-	**-**	-	**-**	1	**-**	-	**-**	-
Share of distribution	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Carrying value	**-**	-	**231**	212	**1**	1	**24**	18	**-**	5

The Group has not incurred any contingent liabilities or other commitments relating to its joint ventures.

The registered office for Beattie Passive Norse Limited, Mid Suffolk Growth Limited, Babergh Growth Limited and Caldecott Development Limited is; 280 Fifers Lane, Norwich, Norfolk, NR6 6EQ. The registered office for Broadland Growth Limited is; Thorpe Lodge, 1 Yarmouth Road, Norwich, NR7 0DU.

Notes to the consolidated financial statements

17. Non-controlling interests

The group includes three subsidiaries with material non-controlling interests ('NCI'). These are as follows:

	Total comprehensive income/(expense) allocated to NCI		Accumulated NCI	
	2023	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000
Evolve Norse Limited	**701**	317	**355**	(346)
NPS South West Limited	**1,406**	739	**1,425**	19
GYB Services Limited	**(112)**	(121)	**287**	399

At 31 March 2023 and 31 March 2022, the proportion of ownership interests and voting rights held by the non-controlling interests was as follows:

	2023	2022
	%	%
Evolve Norse Limited	**20**	20
NPS South West Limited	**20**	20
GYB Services Limited	**40**	40

No dividends were paid to these non-controlling interests in either the current or preceding year.

The principal place of business, and country of incorporation, for all three subsidiaries is the United Kingdom.

Notes to the consolidated financial statements

17. Non-controlling interests (continued)

Summarised financial information for Evolve Norse Limited, NPS South West Limited and GYB Services Limited, before intragroup eliminations, is provided below:

	Evolve Norse Limited		NPS South West Limited		GYB Services Limited	
	2023	2022	**2023**	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Non-current assets	**500**	647	**1,808**	1,075	**85**	44
Current assets	**763**	1,265	**2,232**	3,830	**833**	1,195
Total assets	**1,263**	1,912	**4,040**	4,905	**918**	1,239
Non-current liabilities	**(1,932)**	(869)	**(6,085)**	(3,044)	**-**	39
Current liabilities	**(2,394)**	(2,775)	**(163)**	(1,766)	**(258)**	(281)
Total liabilities	**(4,326)**	(3,644)	**(6,248)**	(4,810)	**(258)**	(242)
Attributable to owners of parent	**(2,450)**	(1,386)	**(1,766)**	76	**396**	598
Attributable to NCI	**(613)**	(346)	**(442)**	19	**264**	399
Total Equity	**(3,063)**	(1,732)	**(2,208)**	95	**660**	997

Notes to the consolidated financial statements

17. Non-controlling interests (continued)

	Evolve Norse Limited		*NPS South West Limited*		*GYB Services Limited*	
	2023	2022	**2023**	2022	**2023**	2022
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Revenue	**3,614**	4,904	**2,426**	5,637	**6,610**	6,312
(Loss)/profit for year attributable to owners of parent	**(291)**	(517)	**50**	159	**(202)**	(180)
(Loss)/profit) for year attributable to NCI	**(73)**	(129)	**18**	40	**(135)**	(121)
(Loss)/profit for the year	**(364)**	*(646)*	**68**	199	**(337)**	(301)
Other comprehensive (expense)/income attributable to owners of parent	**(774)**	1,785	**(1,898)**	2,798	**-**	-
Other comprehensive (expense)/income attributable to NCI	**(194)**	446	**(474)**	700	**-**	-
Other comprehensive (expense)/income	**(968)**	2,231	**(2,372)**	3,498	**-**	-
Total comprehensive (expense)/income attributable to owners of parent	**(1,065)**	1,268	**(1,848)**	2,958	**(202)**	(180)
Total comprehensive (expense)/income attributable to NCI	**(267)**	317	**(456)**	739	**(135)**	(121)
Total comprehensive (expense)/income	**(1,332)**	1,585	**(2,304)**	3,697	**(337)**	(301)
Net cash (used in) / from operating activities	**(34)**	(155)	**970**	479	**906**	231
Net cash (outflow) / inflow	**(34)**	(155)	**970**	479	**906**	231

Notes to the consolidated financial statements

18. Deferred tax asset

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

	£'000	£'000
At 1 April 2022 and 1 April 2021	**8,997**	10,398
Recognised in income statement:		
Origination and reversal of temporary differences	**193**	847
Adjustment in respect of prior years	**(953)**	(24)
Change in tax rates recognised in income statement	**-**	622
Recognised in other comprehensive income:		
Deferred tax on actuarial gain for the year	**(3,754)**	(5,676)
Change in tax rates recognised in other comprehensive income	**-**	2,830
At 31 March 2023 and 31 March 2022	**4,483**	8,997

The group's asset for deferred taxation consists of the tax effect of temporary differences in respect of:

	2023 **£'000**	2022 £'000
Retirement benefit obligation	**3,505**	6,979
Difference between depreciation and capital allowances	**(526)**	619
Other temporary differences	**1,504**	1,399
	4,483	8,997

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. In addition to the deferred tax asset above, the group has an unrecognised deferred tax asset of £2,390k (2022: £2,472k) in relation to tax losses carried forward in subsidiary undertakings. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses, this is not deemed to be the case in the relevant subsidiary undertakings.

Notes to the consolidated financial statements

19. Inventories

	2023	2022
	£'000	£'000
Consumables	**2,413**	2,331
Work in progress	**106**	230
	2,519	2,561

Consumables include catering supplies including food and non-food items, cleaning supplies, grounds supplies, fuel, motor parts and oil for fleet servicing, waste supplies such as bags and bins, security and fire systems, stairlifts, toilets, other care equipment and their associated parts.

The amount of inventories recognised as an expense and included in cost of sales during the year was £24,316k (2022: £28,905k). No amounts have been charged to the income statement in the current or previous year in relation to stock provisions and write offs. There is no significant difference between the replacement cost of consumables and work in progress and their carrying amounts.

20. Trade and other receivables

	2023	2022
	£'000	£'000
Current assets		
Trade receivables	**31,039**	32,373
Amounts owed by parent undertaking	**11,964**	10,728
Amounts owed by joint ventures	**1,956**	1,956
Amounts recoverable on contracts	**1,899**	1,922
Other debtors	**929**	1,188
Prepayments and accrued income	**15,658**	11,972
Tax recoverable	**2,228**	-
	65,673	60,139
Non-current assets		
Other debtors	**11,657**	11,781
	11,657	11,781

Trade and other receivables are initially stated at their fair value and subsequently measured at amortised cost as reduced by appropriate allowance or estimated irrecoverable amounts. The directors consider that the carrying values of current trade and other receivables approximate to their fair values.

Trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be potentially impaired and a provision of £3,250k (2022: £3,821k) has been recorded accordingly. The average credit period taken by customers is 32 days (2022: 38 days).

Amounts owed by parent and joint ventures are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the consolidated financial statements

20. Trade and other receivables (continued)

As of 31 March 2023, trade receivables of £16,672k (2022: £28,033k) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2023	2022
	£'000	£'000
Not more than three months	**8,709**	9,767
More than three months but not more than six months	**564**	2,918
More than six months	**7,399**	15,348
	16,672	28,033

Current receivables	**2023**	2022
	£'000	£'000
Finance leases – gross receivables	**91**	91
	91	91

Gross receivables from finance leases	**2023**	2022
	£'000	£'000
No later than 1 year	**91**	91
Later than 1 year and no later than 5 years	**365**	365
Later than 5 years	**10,318**	10,410
Net investment in finance leases	**10,774**	10,866

Notes to the consolidated financial statements

21. Trade and other payables

	2023 £'000	2022 £'000
Current liabilities		
Trade creditors	**9,189**	8,290
Amounts owed to parent undertaking	**2,019**	2,923
Amounts owed to joint ventures	**-**	10
Other taxation and social security	**9,014**	11,737
Corporation tax	**-**	2,165
Other creditors	**4,045**	3,755
Accruals and deferred income	**37,619**	36,215
	61,886	65,095
Non-current liabilities		
Deferred income	**3,916**	4,062
Other creditors	**10,683**	10,774
	14,599	14,836

Trade and other payables are initially stated at their fair value and subsequently measured at amortised cost. The directors consider that the carrying values of current trade and other payables approximate their fair values. The average credit period taken by the Group on trade payables was 11 days (2022: 11 days).

Included within other creditors is £1,453k (2022: £1,407k) in respect of outstanding pension contributions.

Included within accruals and deferred income is £1,025k (2022: £1,860k) in respect to contract liabilities.

The deferred income balance within non-current liabilities relates to deferred grant income. This relates to government grants received towards two (2022: two) capital projects. Deferred grant income of £146k (2022: £146k) was released to the income statement during the year.

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

Notes to the consolidated financial statements

22. Financial instruments analysis

Categories of financial instruments
The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

Financial assets	**2023** **£'000**	2022 £'000
Loans and receivables (due within one year)		
- Trade and other receivables	**48,108**	46,246
- Cash and cash equivalents	**6,521**	17,265
	54,629	63,511

The group's bankers, Barclays Bank Plc, has a long-term credit rating with Moody's of A1 (Stable).

Financial assets are valued at amortised cost. See note 2.17 for a description of the accounting policies for each category of financial instruments. The fair values are presented in the related notes. A description of the Group's risk management objectives and policies for financial instruments is given in note 26.

Financial liabilities	**2023** **£'000**	2022 £'000
Financial liabilities measured at amortised cost:		
Non-current:		
- Borrowings	**9,476**	10,706
- Trade and other payables	**14,599**	14,836
- Obligations under leases	**8,842**	13,476
Current		
- Borrowings	**16,480**	18,665
- Trade and other payables	**46,394**	46,378
- Obligations under leases	**4,854**	6,151
	100,645	110,212

See note 2.17 for a description of the accounting policies for each category of financial instruments. The fair values are presented in the related notes. A description of the Group's risk management objectives and policies for financial instruments is given in note 26.

Notes to the consolidated financial statements

22. Financial instruments analysis (continued)

Maturity of the Group's financial liabilities	2023 £'000	2022 £'000
Due within one year:		
Trade creditors	**9,189**	8,290
Amounts owed to parent undertaking	**2,020**	2,924
Other creditors	**4,045**	3,756
Accruals	**31,150**	29,235
Obligations under leases	**5,216**	6,745
Borrowings	**18,734**	19,314
Total due within one year	**70,354**	70,264
Due within one to two years:		
Borrowings	**1,976**	1,692
Other creditors	**-**	-
Obligations under leases	**3,596**	4,684
Due within two to five years		
Borrowings	**1,930**	3,263
Other creditors	**-**	-
Obligations under leases	**4,651**	7,667
In more than five years		
Borrowings	**9,100**	9,744
Other creditors	**-**	-
Obligations under leases	**1,257**	2,212
	92,864	99,526

The above contractual maturities reflect the gross cash flows which may differ to the carrying values of the liabilities at the reporting date.

Notes to the consolidated financial statements

23. Lease liabilities

Maturity analysis - minimum lease payments	2023 £'000	2022 £'000
No later than 1 year	**5,215**	6,745
Later than 1 year and no later than 5 years	**8,246**	12,353
Later than 5 years	**1,257**	2,204
Minimum lease payments	**14,718**	21,302
Less: future finance charges	**(1,022)**	(1,675)
Present value of lease obligations	**13,696**	19,627

Maturity analysis - present value of minimum lease payments

	2023 £'000	2022 £'000
No later than 1 year	**4,854**	6,151
Later than 1 year and no later than 5 years	**7,618**	11,042
Later than 5 years	**1,224**	2,434
	13,696	19,627

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 covenants 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.

Contracts may contain both lease and non-lease components. The group 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 group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Notes to the consolidated financial statements

24. Borrowings

Bank loans and overdrafts	2023 £'000	2022 £'000
Due within one year	**5,250**	7,958
Due within one to two years	-	-
Due within two to five years	-	-
In more than five years	-	-
	5,250	7,958

The group has one outstanding bank loan as follows:

- Norse Energy Limited, £10m bank loan, commenced March 2018, with £5.25m outstanding at 31 March 2023. The loan was repayable in 19 equal instalments of £250,000, payable quarterly, with a lump sum repayment instalment sufficient to repay the loan in full, due on the final repayment date. Interest on the loan was charged at a floating rate, but never less than 1.55%. The bank loan was secured by way of a debenture over the assets of Norse Energy Limited. The loan was repaid in full on 6 April 2023.

Notes to the consolidated financial statements

24. Borrowings (continued)

Loans from parent undertaking	**2023 £'000**	2022 £'000
Due within one year	**11,230**	10,707
Due within one to two years	**1,642**	1,230
Due within two to five years	**1,079**	2,347
In more than five years	**6,755**	7,129
	20,706	21,413

The group has the following loans from parent undertaking:

- By virtue of an agreement dated 28 March 2001, Norfolk Environmental Waste Services Limited received a loan of £2.44m from the ultimate parent undertaking, Norfolk County Council. The loan is repayable in 46 equal half yearly instalments bearing fixed rate interest at 4.875%. The final payment will be on 31 March 2024. As at 31 March 2023 the value outstanding was £0.1m.

- In January 2016, Norse Energy Limited received a £10m loan from Norfolk County Council. On 21 December 2022 the loan was extended for 12 months with fixed rate interest of 4.6% payable. There are no repayment instalments with the full loan due for repayment on 21 December 2023. The loan is secured by way of a guarantee provided by Norse Group Limited.

- By virtue of an agreement dated 5 July 2016, Norse Development Company Limited received a loan of £6.25m from the ultimate parent undertaking, Norfolk County Council. The loan is repayable in 29 equal annual instalments starting from July 2018 with the final instalment being due in July 2046. Interest on the loan is charged at a fixed rate of 4%. The loan is secured by way of a guarantee provided by Norse Group Limited. At 31 March 2023 the value outstanding was £6.0m.

- By virtue of an agreement dated February 2018, the Norse Consulting Group received a new £3.5m loan from the ultimate parent undertaking, Norfolk County Council. The loan is repayable in bi-annual instalments commencing August 2018 with the final instalment being due in February 2025. Interest on the loan is charged at a fixed rate of 2.5% per annum. The loan is secured by way of a guarantee provided by Norse Group Limited. At 31 March 2023 the value outstanding was £2.1m.

- By virtue of an agreement dated March 2019, Norse Care Limited received a loan of £3m from the ultimate parent undertaking, Norfolk County Council. The loan is repayable in 15 equal annual instalments commencing March 2021 with the final instalment due in March 2035. Interest on the loan is charged at a fixed rate of 3.5% per annum. The loan is secured by way of a guarantee provided by Norse Group Limited. At 31 March 2023 the value outstanding was £2.5m.

Notes to the consolidated financial statements

25. Provisions

	Dilapidation provision £'000	Total £'000
At 1 April 2021	400	400
Additional provisions	627	627
Released to Income statement	(199)	(199)
At 31 March 2022	**828**	**828**
Additional provisions	1,671	1,671
Released to Income statement	(466)	(466)
At 31 March 2023	**2,033**	**2,033**

Dilapidation provision
The dilapidation provisions relate to properties occupied by NPS South West Limited, Evolve Norse Limited, NPS Leeds Limited and NPS Property Consultants Limited. The provision represents an estimate of costs expected to be incurred at the end of the respective leases to make good changes that have been made to the properties during the lease period. It is expected that £1,916k (2022: £552k) of this balance will be released within one year and the remaining £117k (2022: £81k) within two to five years.

26. Financial instrument risks

Risk management objectives and policies
The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in note 22.

Capital risk management
The Group manages its capital to ensure its ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group comprises equity attributable to equity holders of Norse Group Limited consisting of issued ordinary share capital, reserves and retained earnings (see consolidated statement of changes in equity) and cash and cash equivalents. The Group's overall capital risk management strategy remains unchanged from previous years.

The Group's access to capital remains strong, with either additional debt or equity from its sole shareholder Norfolk County Council available to support additional investment where appropriate, as well as additional debt funding from the external market, with the reduction in debt levels during 2021 providing headroom for additional debt if required.

Other risks are outlined in the Strategic Report.

Notes to the consolidated financial statements

27. Pensions and employee benefit obligations

The liabilities recognised for pensions and other employee remuneration in the balance sheet consist of the following amounts:

	2023 £'000	2022 £'000
Non-current:		
- Defined benefit plans	**14,020**	27,914
Current:		
- Other pension obligations (within other creditors)	**1,453**	1,407
- Other short-term employee obligations (within accruals)	**1,066**	1,331
	2,519	2,738

Other pension obligations represent pension contributions that had not been paid at the balance sheet date. Other short-term employee obligations arise mainly from accrued holiday entitlement at the reporting date.

Defined benefit pension schemes

The group is a participating employer in a number of multi-employer Local Government Pension Schemes, the main one being the Norfolk Pension Fund.

The calculations for the disclosures are based on a full actuarial valuation of the schemes as at 31 March 2022 updated to year end 31 March 2023 by a qualified independent actuary. For certain defined benefit schemes, on termination of the service agreement, the employees and associated defined benefit liability will revert back to the relevant local authority. The net defined benefit obligation has therefore been adjusted to reflect the future commitment of the Group.

The main assumptions used by the actuary to calculate scheme liabilities of the Group were:

	2023 %	2022 %	2021 %	2020 %
Rate of increase in salaries	**3.7**	3.8	3.4	2.6
Rate of increase in pensions in payment	**3.0**	3.1	2.7	1.9
Discount rate	**4.8**	2.7	2.0	2.3
Inflation assumption	**3.2**	3.6	2.7	1.9

Notes to the consolidated financial statements

27. Pensions and employee benefit obligations (continued)

The post retirement mortality assumptions used to value the benefit obligation at the year end are based on the Fund's VitaCurves, which is a statistical model of the diverse range of survival patterns that are observed in the recent past, with improvements in line with the CMI 2020 model, with a 0% weighting of 2020 data, an allowance for smoothing of recent mortality experience, initial adjustment of 0.5% and a long-term rate of improvement of 1.5% per annum. Based on these the average future life expectancies at age 65 are as follows:

	2023 Males	**2023 Females**	2022 Males	2022 Females
Current pensioners (years)	**21.6**	**23.8**	21.1	23.7
Future pensioners (years)	**22.5**	**25.9**	22.3	25.5

These are different for each scheme based on the member profile. For consolidation purposes we have taken an average across the schemes.

These assumptions were developed by management under consideration of expert advice provided by independent actuarial appraisers. During the year the assumptions used were reviewed in detail and refined, in relation to three specific areas of inflation, mortality rates and discount factors, to ensure these were appropriate to the underlying liabilities. These assumptions have led to the amounts determined as the Group's defined benefit obligations for the reporting periods under review and should be regarded as management's best estimate. However, the actual outcome may vary. Changes in market conditions that result in changes in the net discount rate (essentially the difference between the discount rate and the assumed rates of increase in salaries, deferred pension revaluation or pensions in payment) can have a significant impact on the value of the liabilities reported. There is also uncertainty around life expectancy of the UK population. The value of current and future pension benefits will depend on how long they are assumed to be in payment.

An analysis of the defined benefit scheme assets at the balance sheet date is detailed below:

	2023				2022			
	Quoted £'000	**Unquoted £'000**	**Total £'000**	**%**	Quoted £'000	Unquoted £'000	Total £'000	%
Equity securities	**-**	**-**	**-**	**-**	-	-	-	-
Debt securities	**1,756**	**-**	**1,756**	**0.9**	2,110	-	2,110	1.0
Private equity	**-**	**19,520**	**19,520**	**9.6**	-	16,858	16,858	8.1
Investment funds and unit trusts	**136,573**	**22,951**	**159,524**	**78.0**	148,241	16,692	164,933	79.0
Derivatives	**(620)**	**-**	**(620)**	**(0.3)**	46	-	46	-
Property	**-**	**20,718**	**20,718**	**10.1**	-	22,022	22,022	10.5
Cash	**3,411**	**-**	**3,411**	**1.7**	2,958	-	2,958	1.4
Total fair value of assets	**141,120**	**63,189**	**204,309**	**100.0**	153,355	55,572	208,927	100.0

Notes to the consolidated financial statements

27. Pensions and employee benefit obligations (continued)

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:

	2023 £'000	2022 £'000
Total fair value of assets	**204,309**	208,927
Present value of scheme liabilities	**(179,497)**	(236,756)
Adjustment to reflect the Group's future commitment	**(6,789)**	(85)
Surplus/(deficit) in the scheme before consideration of asset ceiling	**18,023**	(27,914)
Amounts not recognised due to effect of asset ceiling	**(18,023)**	-
Additional liability recognised due to minimum funding requirements	**(14,020)**	-
Deficit in the scheme	**(14,020)**	(27,914)

The actual return on scheme assets in the year was a loss of £2,644k (2022: gain of £16,090k).

The adjustment to reflect the group's future commitment relates to the GYB Services Limited pension obligation. The contract with Great Yarmouth Borough Council ended on 31 March 2023 and, based on the contract, the Group has no remaining obligation in respect of the scheme.

From the calculations carried out by a qualified independent actuary, the Group does not have an unconditional right to derive economic benefit from any surplus. Therefore, the present value of the economic benefits of the IAS 19 surplus in the pension scheme of £18,023,000 available on a reduction of future contributions is £Nil for the schemes due to terminate. As a result, the Group has not recognised this IAS 19 surplus on the Statement of financial position.

The 2022 triennial funding valuation use certified contributions to address a funding deficit over a specified recovery time horizon. In accordance with the requirements of IFRIC 14, the Group has therefore recognised the contributions as a liability of £Nil.

Within the calculation an assumption has been made in that there is no refund being anticipated from the pension scheme and there is no value from reduced future service contributions.

Notes to the consolidated financial statements

27. Pensions and employee benefit obligations (continued)

An analysis of the movement in the deficit during the year is shown below:

	£'000	£'000
At 1 April 2022 and 1 April 2021	**(27,914)**	(48,431)
Total operating charge	**(3,955)**	(4,423)
Total finance charge	**(744)**	(978)
Actuarial gains from changes in financial assumptions	**47,060**	22,705
Contributions by the Group	**3,572**	3,552
Estimated unfunded benefits paid	**4**	4
Effect of business combinations and disposals	**-**	(343)
Present value of scheme assets/(liabilities)	**18,023**	(27,914)
Amounts not recognised due to effect of asset ceiling	**(18,023)**	-
Additional liability recognised due to minimum funding requirements	**(14,020)**	-
At 31 March 2023 and 31 March 2022	**(14,020)**	(27,914)

An analysis of the defined benefit cost follows:

Analysis of the amount charged to operating loss:

	2023 **£'000**	2022 £'000
Current service cost	**(3,845)**	(4,412)
Past service cost	**(110)**	(11)
Total operating charge	**(3,955)**	(4,423)

Notes to the consolidated financial statements

27. Pensions and employee benefit obligations (continued)

Analysis of the amount charged to finance costs:

	2023 **£'000**	2022 £'000
Interest income	**4,704**	3,359
Interest on pension scheme liabilities	**(5,448)**	(4,337)
Total finance charge	**(744)**	(978)

Analysis of the amount recognised in other comprehensive income:

	2023 **£'000**	2022 £'000
Return on scheme assets	**(6,711)**	12,731
Experience adjustments arising on scheme liabilities	**(19,542)**	(650)
Change in demographic assumptions	**(2,432)**	8,547
Change in financial assumptions	**75,745**	2,077
Amounts not recognised due to effect of asset ceiling	**(18,023)**	-
Additional liability recognised due to minimum funding requirements	**(14,020)**	-
Actuarial gains recognised in other comprehensive income	**15,017**	22,705

Analysis of changes in the fair value of the scheme assets during the year

	2023 **£'000**	2022 £'000
Fair value of scheme assets at the beginning of the year	**180,348**	164,050
Interest income	**4,704**	3,359
Actuarial (losses)/gains	**(7,348)**	12,731
Contributions by employers	**3,572**	**3,552**
Contributions by members	**584**	**617**
Benefits paid	**(4,845)**	**(4,316)**
Estimated unfunded benefits paid	**(4)**	**(4)**
Estimated contributions in respect of unfunded benefits paid	**4**	**4**
Effect of business combinations and disposals	**(2,459)**	**355**
Effect of settlement	**-**	**-**
Fair value of the scheme assets at the end of the year	**174,556**	**180,348**

The effect of business combinations and disposals in the year ended 31 March 2023 relates to the contract ending with Great Yarmouth Borough Council.

Notes to the consolidated financial statements

27. Pensions and employee benefit obligations (continued)

Analysis of changes in the present value of the scheme liabilities during the year

	2023 £'000	2022 £'000
Present value of scheme liabilities at the start of the year	**208,262**	212,481
Current and past service costs	**4,180**	4,423
Interest cost	**5,448**	4,337
Contributions by members	**584**	617
Benefits paid	**(4,845)**	(4,316)
Estimated unfunded benefits paid	**(4)**	(4)
Actuarial gains	**(54,408)**	(9,974)
Effect of business combinations and disposals	**(2,684)**	698
Effect of settlements	**-**	-
Present value of the scheme liabilities at the end of the year	**156,533**	208,262

The cumulative amount of actuarial gains and losses recognised in other comprehensive income at 31 March 2023 was a net loss of £9,797k (2022: net loss of £34,152k).

The effect of business combinations and disposals in the year ended 31 March 2023 relates to the contract ending with Great Yarmouth Borough Council.

Future funding obligation

The directors anticipate that contributions of approximately £3,396k (2022: £3,478k) will be paid in respect of the defined benefit schemes in the year to 31 March 2024.

This consists of the following contributions:

	2023 £'000	2022 £'000
Norse Commercial Services Limited	**1,272**	1,250
GYB Services Limited	**-**	402
Suffolk Coastal Norse Limited	**311**	752
Evolve Norse Limited	**317**	**226**
NPS South West Limited	**1,379**	**708**
NPS South East Limited	**117**	**140**
	3,396	**3,478**

Notes to the consolidated financial statements

27. Pensions and employee benefit obligations (continued)

Sensitivity analysis
The sensitivity of the defined benefit obligations to changes in principal actuarial assumptions is shown below:

	Change in assumption	Increase in Deficit £'000
Rate of increase in salaries	+0.1%	**326**
Rate of increase in pensions in payment	+0.1%	**2,382**
Discount rate	- 1.0%	**28,625**
Life expectancy	+ 1 year	**6,242**

Defined contribution pension schemes
The Group operates a number of defined contribution retirement benefit schemes for qualifying employees. The assets of the schemes are held separately from those of the group in funds controlled by the scheme providers.

The Group also makes contributions to a number of local government defined benefit pension schemes which are accounted for as being contributions to defined contribution schemes.

During the year the group paid contributions of £7,919k (2022: £7,519k) to defined contribution schemes.

28. Contingent liabilities

The group has a contingent liability for performance bonds issued in the normal course of business. The value of unexpired performance bonds in issue at the year end was £1,205k (2022: £1,205k)

Capital commitments
At the year end the Group was committed to further capital expenditure of £3,297k (2022: £790k).

Notes to the consolidated financial statements

29. Related party transactions

Transactions with related parties

The Group had the following transactions in the normal course of trade with related parties:

2023:	Sales £'000	Purchases £'000	Receivables £'000	Payables £'000
Norfolk County Council	98,405	2,859	12,555	2,611
Devon County Council	6,942	1,010	802	252
London Borough of Waltham Forest	3,118	149	316	-
Norwich City Council	3,757	287	7,564	1,685
Leeds City Council	5,102	1	630	842
Hull City Council	9,725	167	1,748	654
Peterborough City Council	1,611	248	225	147
Great Yarmouth Borough Council	14,367	565	2,655	740
Havant Borough Council	11,674	-	2,568	-
Medway Council	29,122	1,672	906	379
Suffolk County Council	312	2,311	33	565
East Suffolk Council	19,952	2	3,265	2,009
North Northamptonshire Council	2	105	-	-
Newport City Council	21,273	1,501	3,302	1,480
Broadland District Council	727	62	63	85
Breckland District Council	468	93	52	119
Borough Council of King's Lynn & West Norfolk	26	-	270	-
North Norfolk District Council	693	23	120	94
South Norfolk District Council	543	137	60	86
West Northamptonshire District Council	4,203	140	64	121
Wigan Metropolitan Borough Council	86	31	2	-
Amber Valley Borough Council	3,559	185	755	27
Uttlesford District Council	8,159	192	1,732	270
High Peak Borough Council	10,238	8	220	1,986
Staffordshire Moorlands District Council	1,398	-	1	769
Rochford District Council	2,869	-	66	244
Adnams PLC*	34	-	-	-
The Forum Trust Limited*	28	-	-	-
YPO Procurement Holdings Limited*	2	13	-	-
Hull Culture and Leisure Limited*	62	-	-	-
California Sands Holiday Park Limited*	28	-	1	-
Norwich City Services Limited*	-	41	-	-
Norwich Historic Churches Trust Limited*	6	-	-	-
Norwich School*	243	-	37	-
ORBIS Associate Limited*	-	3	-	-
Cornerstone Property Assets Limited*	2	-	-	-
Little Squirrels Play Forest Limited*	1	-	-	-

The related parties consist of the ultimate parent undertaking (Norfolk County Council), other parties to the partnerships that are in place within the Group and other interests of the directors of Norse Group Limited and its subsidiaries (*).

Notes to the consolidated financial statements

29. Related party transactions (continued)

2022:	Sales £'000	Purchases £'000	Receivables £'000	Payables £'000
Norfolk County Council	97,132	3,017	10,728	2,923
Devon County Council	7,718	147	917	1,008
London Borough of Waltham Forest	4,318	59	593	102
Barnsley Metropolitan Council	2,149	435	380	925
Norwich City Council	13,309	471	9,481	1,333
Leeds City Council	4,357	460	524	624
Hull City Council	9,230	184	1,369	4
Peterborough City Council	1,754	260	87	218
Great Yarmouth Borough Council	12,819	382	1,719	1,351
Havant Borough Council	10,260	-	412	-
Medway Council	28,256	715	2,195	1,688
Suffolk County Council	1,368	2,329	30	500
East Suffolk Council	18,284	34	467	1,059
North Northamptonshire Council	5,491	530	416	334
Newport City Council	15,874	99	1,052	1,990
Broadland District Council	880	106	161	240
Breckland District Council	524	71	131	203
Borough Council of King's Lynn & West Norfolk	86	35	97	227
North Norfolk District Council	767	29	170	194
South Norfolk District Council	607	116	203	215
West Northamptonshire District Council	4,956	1,005	820	-
Wigan Metropolitan Borough Council	30	37	6	2
Amber Valley Borough Council	3,450	25	780	251
Uttlesford District Council	6,482	74	4,090	160
Adnams PLC*	68	-	-	-
Norwich Regeneration Limited*	43	-	15	-
The Forum Trust Limited*	35	-	3	-
YPO Procurement Holdings Limited*	-	23	-	6
Hull Culture and Leisure Limited*	83	-	2	-
California Sands Holiday Park Limited*	13	-	-	-
East Anglia's Childrens Hospices*	2	-	-	-
Repton Property Developments Limited*	50	-	-	-
Norwich City Services Limited	51	136	3	2
Norwich Historic Churches Trust Limited	5	-	-	-

The creditor balances above do not include loans from Norfolk County Council. These are separately disclosed within note 24. Interest of £691k (2022: £318k) was charged by Norfolk County Council on these loans in the year.

Notes to the consolidated financial statements

29. Related party transactions (continued)

Transactions with joint ventures and associates

During the year the group paid various expenses on behalf of Beattie Passive Norse Limited. At the year-end a balance of £941k (2022: £895k) was due from Beattie Passive Norse Limited. Of this amount, £Nil (2022: £Nil) has been provided for.

During the year the group made sales of £18k (2022: £83k) to Broadland Growth Limited. At the year end a balance of £12k (2022: £9k) was due from Broadland Growth Limited.

During the year the group made sales of £275k (2022: £292k) to Mid Suffolk Growth Limited. At the year end a balance of £1,490k (2022: £1,250k) was due from Mid Suffolk Growth Limited. At the year end a balance of £5k (2022: £10k) was due to Mid Suffolk Growth Limited.

During the year the group made sales of £184k (2022: £93k) to Babergh Growth Limited. At the year end a balance of £465k (2022: £778) was due from Babergh Growth Limited. At the year end a balance of £5k (2022: £10k) was due to Babergh Growth Limited.

Audit exemptions for the Norse Group Subsidiaries

During the year Norse Group Limited has provided a parental guarantee in accordance with Section 479a and 479c of the Companies Act 2006 on behalf of the following subsidiaries, in order to provide them with exemption from audit of their individual financial statements:

Norse Commercial Services Limited
NPS Property Consultants Limited
Norse Care Limited
Norse Care (Services) Limited
International Aviation Academy – Norwich Limited
Hamson Barron Smith Limited
Norse Energy Limited
Norse Energy (BSCC) Limited
Norse Energy (BSCC BIOMASS) Limited
Norse Energy (STOKE GIFFORD) Limited
Norse Energy (HAFOD) Limited
Norse Development Company Limited
NPS South East Limited
Norse Group Holdings Limited
Norse Eastern Limited
Norse Transport
Norfolk Environmental Waste Services Limited
Eventguard Limited
Suffolk Norse Transport
Norse Consulting Group Limited
Norwich Norse (Environmental) Limited
NPS Barnsley Limited
Enfield Norse Limited
NPS NW Limited
Norwich Norse (Building) Limited
NPS Norwich Limited
Suffolk Norse Limited
NPS South West Limited
Barnsley Norse Limited

Notes to the company financial statements

29. Related party transactions (continued)

Transactions with key management personnel

Key management are the directors of Norse Group along with certain executive directors of Norse Consulting Group, Norse Commercial Services, Norse Care and Norse Group Holdings. Key management personnel remuneration includes the following expenses:

	2023 **£'000**	2022 £'000
Salaries and short-term employee benefits	**244**	577
Post-employment benefits - contributions to defined benefit pension plans	**51**	31
Total remuneration	**295**	608

There were no other transactions with key management personnel in either the current or preceding year. See note 7 for disclosure of the directors' remuneration.

30. Non-controlling interests

	£'000	£'000
At 1 April 2022 and 1 April 2021	**(1,095)**	(1,669)
Profit attributable to non-controlling interest	**121**	1,808
Other comprehensive income/(expense) attributable to non-controlling interest	**2,089**	(1,234)
At 31 March 2023 and 31 March 2022	**1,115**	(1,095)

31. Share capital

Allotted, called up and fully paid:

	2023		2022	
	Number	**£'000**	Number	£'000
Ordinary shares of £1 each	**11,964,404**	**11,964**	11,964,404	11,964

Notes to the company financial statements

32. Reserves

Capital contribution reserve

The Capital contribution reserve is used to record the capital contribution from the transfer of freehold property from the ultimate parent company; Norfolk County Council.

Retained earnings/(accumulated losses)

Includes all current and prior year retained profits and accumulated losses.

Revaluation reserve

The revaluation reserve includes revaluation gains in respect of freehold property. This reserve is not a distributable reserve.

Notes to the company financial statements

33. Notes to the statement of cash flows

The following non-cash flow adjustments and adjustments for changes in working capital have been made to loss before taxation to arrive at operating cash flow:

Adjustments

	2023 £'000	2022 £'000
Amortisation	**91**	99
Depreciation	**10,767**	11,396
(Profit)/loss on disposal of property, plant and equipment	**(1,219)**	49
Finance income	**(256)**	-
Finance costs	**1,595**	1,494
Finance costs in respect of defined benefit pension scheme	**744**	978
Current and past service costs in respect of defined benefit pension scheme	**3,951**	4,762
Share of (profit)/loss from equity accounted investments	**(20)**	71
Impairment of Goodwill	**-**	4,397
Impairment of property, plant and equipment	**4,594**	7,478
Total adjustments	**20,247**	30,724

Net changes in working capital

	2023 £'000	2022 £'000
Change in inventories	**42**	(374)
Change in trade and other receivables	**(3,351)**	10,208
Change in trade and other payables	**(1,301)**	(13,903)
Change in provisions	**1,205**	427
Total changes in working capital	**(3,405)**	(3,642)

34. Ultimate controlling undertaking

The ultimate controlling party is Norfolk County Council by virtue of its ownership of 100% of the ordinary share capital of the company. The registered office address of Norfolk County Council is County Hall, Martineau Lane, Norwich, Norfolk, NR1 2DH.

Norse Group Limited is included within the consolidated financial statements of Norfolk County Council. Copies of the financial statements can be found at www.norfolk.gov.uk

The smallest and largest Group to consolidate these financial statements is Norfolk County Council.

Independent auditors' report to the members of Norse Group Limited

Report on the audit of the company financial statements

Opinion

In our opinion, Norse Group Limited's company financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the company statement of financial position as at 31 March 2023; the company statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Reporting on other information

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

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

With respect to the Strategic report and Report of the directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Report of the directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the directors for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to misstatement of financial information via inappropriate journal entries and/or management bias in key accounting estimates. Audit procedures performed by the engagement team included:

- Making enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations;

- Reviewing minutes of meetings in the year and up to date approval of the financial statements;
- Enquiring with management about any litigation and claims to identify any such undisclosed issues;
- Identifying and testing journals meeting specified criteria considered to be unusual or indicative of potential fraud;
- Evaluating management's controls designed to prevent and detect irregularities; and
- Testing the appropriateness of key estimates made by management to identify any deliberate misstatements in the financial statements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Other matter

We have reported separately on the group financial statements of Norse Group Limited for the year ended 31 March 2023.

Paul Norbury (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
13 October 2023

Company statement of financial position as at 31 March 2023

	Note	**31 March 2023 £'000**	31 March 2022 £'000
Fixed assets			
Investments	5	**11,964**	11,964
Net assets		**11,964**	11,964
Capital and reserves			
Called up share capital	6	**11,964**	11,964
Total equity		**11,964**	11,964

During the year the company generated a result of £Nil (2022: £Nil).

These financial statements on pages 90 to 97 were approved by the Board of Directors and signed on its behalf by:

J F L C Galliford
Chief Executive Officer
Date: 13/10/2023

The accompanying accounting policies and notes on pages 92 to 97 form an integral part of these financial statements.

Company statement of changes in equity for the year ended 31 March 2023

	Called up Share capital £'000	Retained Earnings £'000	Total equity £'000
At 1 April 2021	11,964	-	11,964
Result for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 31 March 2022	11,964	-	11,964
Result for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 31 March 2023	11,964	-	11,964

The accompanying accounting policies and notes on pages 92 to 97 form an integral part of these financial statements.

Notes to the company financial statements

1. General information

The company is a private company limited by shares, incorporated and domiciled in the UK. The address of its registered office is 280 Fifers Lane, Norwich, Norfolk, NR6 6EQ.

The group provide facilities management services, property consultancy services and residential and social care services.

2. Statement of significant accounting policies

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

2.1. Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006 as applicable to companies using FRS 101. The financial statements have been prepared on a going concern basis.

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

- The requirements of IFRS 7 Financial Instruments: Disclosures

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

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

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

- The requirements of IAS 7 Statement of Cash Flows
- The requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures and Key Management Compensation.

A separate Income statement for the parent company is omitted from the parent company financial statements by virtue of section 408 of the Companies Act 2006. The company did not trade during the year.

Notes to the company financial statements

2. Statement of significant accounting policies (continued)

2.2. Investments

Investments held by the company represent investments in subsidiary undertakings and are recorded at cost, less provision for impairment.

2.3. 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. Financial 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.

3. Employee numbers

The company has no employees (2022: none).

4. Directors' emoluments

The company paid £nil in directors' emoluments during the year (2022: £nil). Three (2022: seven) of the directors received no remuneration for the services provided to the company. The remaining three directors were paid by Norse Commercial Services Limited with no recharge.

Notes to the company financial statements

5. Investments

Direct subsidiary undertakings	Type of Share	Holding	Nature of business
Norse Consulting Group Limited	Ordinary	100%	Property consultants
Norse Commercial Services Limited	Ordinary	100%	Providing council services
Norse Care Limited	Ordinary	100%	Providing care services
Norse Group Holdings Limited	Ordinary	100%	Holding company
Indirect subsidiary undertakings			
NPS North East Limited	Ordinary	100%	Dormant
NPS North West Limited	Ordinary	100%	Dormant
NPS Stockport Limited	Ordinary	100%	Dormant
Evolve Norse Limited	Ordinary	80%	Property consultants
NPS South West Limited	Ordinary	80%	Property consultants
NPS Humber Limited	Ordinary	60%	Property consultants
NPS South East Limited	Ordinary	100%	Property consultants
Hamson Barron Smith Limited	Ordinary	100%	Property consultants
NPS Barnsley Limited	Ordinary	100%	Property consultants
Barnsley Norse Limited	Ordinary	100%	Providing council services
NPS Leeds Limited	Ordinary	80%	Property consultants
NPS Norwich Limited	Ordinary	80%	Property consultants
Norwich Norse (Environmental) Limited	Ordinary	64%	Providing council services
Norwich Norse (Building) Limited	Ordinary	64%	Providing council services
Norse Energy Limited	Ordinary	100%	Renewable energy products
Norse Energy (Hafod) Limited	Ordinary	100%	Renewable energy products
Norse Energy (Stoke Gifford) Limited	Ordinary	100%	Renewable energy products
Norse Energy (BSCC) Limited	Ordinary	100%	Renewable energy products
Norse Energy (BSCC Biomass) Limited	Ordinary	100%	Renewable energy products
NPS Peterborough Limited	Ordinary	80%	Property consultants
Norse Eastern Limited	Ordinary	100%	Providing council services
Norse Transport	-	-	Providing transport services
GYB Services Limited	Ordinary	60%	Providing council services
Suffolk Coastal Norse Limited	Ordinary	100%	Providing council services
Enfield Norse Limited	Ordinary	100%	Dormant
Waveney Norse Limited	Ordinary	80%	Providing council services
Eventguard Limited	Ordinary	100%	Dormant
Norse South West Limited	Ordinary	80%	Providing council services
Wellingborough Norse Limited	Ordinary	80%	Providing council services
Suffolk Norse Limited	Ordinary	80%	Dormant
Suffolk Norse Transport	-	-	Dormant
Great Yarmouth Norse Limited	Ordinary	80%	Providing council services
Medway Norse Limited	Ordinary	80%	Providing council services
Medway Norse Transport	-	-	Providing transport services
Norse South East Limited	Ordinary	80%	Providing council services
West Northamptonshire Norse Limited	Ordinary	80%	Providing council services

Notes to the company financial statements

5. Investments (continued)

Indirect subsidiary undertakings	**Type of Share**	**Holding**	**Nature of business**
Newport Norse Limited	Ordinary	80%	Providing council services
Norfolk Environmental Waste Services Limited	Ordinary	100%	Waste management services
Addfill Limited	Ordinary	100%	Dormant
Norse Environmental Waste Services Limited	Ordinary	51%	Waste management services
NPS Newport Limited	Ordinary	80%	Dormant
Norse Care Services Limited	Ordinary	100%	Providing care services
NPS Infinity Limited	Ordinary	100%	Dormant
NPS Group Limited	Ordinary	100%	Dormant
NPS North London Limited	Ordinary	100%	Dormant
Hearth UK Limited	Ordinary	100%	Dormant
Hearth UK (Exeter) Limited	Ordinary	100%	Dormant
Peterborough Norse Limited	Ordinary	100%	Dormant
Norse Development Company Limited	Ordinary	100%	Property ownership
International Aviation Academy Norwich Limited	Ordinary	100%	Academic training facility
NPS NW Limited	Ordinary	100%	Dormant
Uttlesford Norse Services Limited	Ordinary	80%	Providing council services
Amber Valley Norse Limited	Ordinary	80%	Providing council services
NPS Property Consultants Limited	Ordinary	100%	Property consultants
Rochford Norse Limited	Ordinary	80%	Waste management services
Alliance Norse Limited	Ordinary	75%	Property services
East Hampshire Norse Limited	Ordinary	80%	Providing council services

Norse Transport, Suffolk Norse Transport and Medway Norse Transport are all limited by guarantee and, not having any share capital, are controlled by Norse Commercial Services Limited.

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

Joint ventures

NPS Property Consultants Limited 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.

Norse Group Holdings Limited owns 50% of the issued share of Broadland Growth Limited, a company registered in the United Kingdom. The principal activity of the company is property construction and development.

Norse Group Holdings Limited owns 50% of the issued share capital of Mid Suffolk Growth Limited ('MSG'), a company incorporated in the United Kingdom. The principal activity of the company is property development.

Norse Group Holdings Limited owns 50% of the issued share capital of Babergh Growth Limited ('BAB'), a company incorporated in the United Kingdom. The principal activity of the company is property development.

Norse Group Holdings Limited owns 50% of the issued share capital of Caldecott Developments Limited, a company incorporated in the United Kingdom. The principal activity of the company is property development.

Notes to the company financial statements

5. Investments (continued)

Company	Group companies £'000
Cost and net book value	
At 1 April 2022 and 31 March 2023	**11,964**

6. Called Up Share Capital

Authorised share capital:

	2023 £'000	2022 £'000
11,964,404 (2022: 11,964,404) Ordinary shares of £1 each	**11,964**	11,964

Allotted, called up and fully paid:

	2023 Number	£'000	2022 Number	£'000
Ordinary shares of £1 each	**11,964,404**	**11,964**	11,964,404	11,964

7. Reserves

	Retained earnings £'000
At 1 April 2022	-
Result for the financial year	-
Dividends paid	-
At 31 March 2023	-

8. Profit attributable to members of the parent company

The result dealt within the financial statements of the parent company was £Nil (2022: £Nil).

9. Related party transactions

The company has taken advantage of the exemptions available under Financial Reporting Standard 101, paragraph 8(k), whereby wholly owned group undertakings do not have to disclose transactions with other wholly owned members of that group. Accordingly, there are no transactions which are required to be disclosed in relation to the company.

See note 4 for details of remuneration paid to directors of the company.

Notes to the company financial statements

10. Controlling party

The ultimate controlling party is Norfolk County Council by virtue of its ownership of 100% of the ordinary share capital of the company. The registered office address of Norfolk County Council is County Hall, Martineau Lane, Norwich, Norfolk, NR1 2DH.

Norse Group Limited is included within the consolidated financial statements of Norfolk County Council which are available on www.norfolk.gov.uk.

The smallest Group to consolidate these financial statements is Norse Group Limited. The largest Group to consolidate these financial statements is Norfolk County Council.