

Registrar's Copy

**Westway Services Limited**

Report and Financial Statements

Year Ended

29 February 2016

Company Number 04039888

SATURDAY



\*A5KK53N5\*

A08

26/11/2016

#199

COMPANIES HOUSE

# **Westway Services Limited**

## **Report and financial statements for the year ended 29 February 2016**

---

### **Contents**

#### **Page:**

1	Strategic report
3	Report of the directors
6	Independent auditor's report
8	Statement of comprehensive income
9	Balance Sheet
10	Statement of changes in equity
11	Notes forming part of the financial statements

---

### **Directors**

A Donnell  
J R Pease  
M Bindeman

### **Registered office**

Ground Floor, Artemis Building, Odyssey Business Park, West End Road, South Ruislip, Middlesex, HA4 6QE

### **Company number**

04039888

### **Auditors**

BDO LLP, Kings Wharf, 20-30 Kings Road, Reading, Berkshire, RG1 3EX

### **Country of incorporation**

England and Wales

### **Legal form**

Private limited company

# **Westway Services Limited**

## **Strategic report for the year ended 29 February 2016**

---

### **Principal activity**

The principal activity of the company continues to be the provision of highly technical services in air conditioning, heating, refrigeration and electrical maintenance.

### **Review of business and future developments**

I am pleased to inform you of the results of Westway Services Limited for the twelve months to 29 February 2016.

During this period the company achieved a turnover of £51,709,259 (2015 - £38,754,665) and profit after tax of £711,338 (2015 - £4,141,091).

Turnover increased by 33.4% (2015 - 29.1%) over prior year whilst gross profit increased by 27.1% (2015 - 8.8%), a tremendous achievement in a very competitive market by the management team who have continued to concentrate on winning large contracts.

The company is highly cash generative with a bank balance at the end of the year of £3,793,078 (2015 - £3,070,260).

The average number of employees increased by 182 (2015 - 58) which is an increase of 53.7% (2015 - 21%).

During the year, Marks & Spencer awarded the company a contract to supply maintenance engineers to all their stores across the United Kingdom. The three year contract is worth over £12 million per annum and the award of this contract demonstrates the confidence that Marks & Spencer have in the company, which has been built up over a number of years by consistently demonstrating a high quality service provision.

### **Key performance indicators**

I can confirm that the company has met the KPI's set last year and that the board has decided that they should be maintained for the coming year. These are:

- To be able to demonstrate outstanding commitment to the health, safety and wellbeing of our employees
- To achieve significant growth in the business, maintain margins and strengthen the financial position of the company
- To concentrate on providing more technical services within our existing market areas by the further development of our core skills
- To continue to increase the training, skills and motivation of our workforce.

# Westway Services Limited

## Strategic report for the year ended 29 February 2016 (*continued*)

---

### Principal risks and uncertainties

The company recognises the risks associated with accelerated growth on both the level of service provided and the customer relationships and have taken steps to mitigate these risks. This is being achieved through strengthening the management team at all levels and reviewing how it interacts and responds to its customers.


As a result of the move to a blue chip customer base the directors are confident that there is little risk of bad debts and stringent cash collection procedures keep debtors to a minimum.

The management team have produced a register of all the perceived risks that face the business, which is formally reviewed by the board on a regular basis. I am pleased to be able to state that there does not appear to be any significant risks.

Finally I would yet again like to pay tribute to the hard work and dedication of the entire Westway team, which has achieved these outstanding results and is well positioned to achieve even greater things in the coming year.

### Approval

This strategic report was approved on behalf of the Board on 24/11/2016 ,



A Donnell  
Director

# **Westway Services Limited**

## **Report of the directors for the year ended 29 February 2016**

---

The directors present their report together with the strategic report and audited financial statements for the year ended 29 February 2016.

### **Results and dividends**

The statement of comprehensive income is set out on page 7 and shows the profit for the year (2015 - profit).

The directors do not recommend the payment of a dividend (2015 - £Nil).

### **Future developments**

The strategic report provides an insight into the future developments and strategy for the company.

### **Disabled persons**

The company is committed to an equal opportunities policy in respect of serving customers and employing staff. Within this policy Westway will endeavour to ensure that disabled customers receive the same standards of service as all other customers, and that disabled employees and potential employees will be afforded the same treatment and opportunities as all other employees and potential employees. The company will not tolerate discrimination on the grounds of disability and undertakes to:

- Provide disability awareness and equality training where appropriate.
- Consult and engage with disabled people as appropriate.
- Make reasonable adjustments to facilities, services and information including the provision of assistive devices.
- Regularly review the accessibility of goods, services, facilities and information.
- Make all employees aware of this policy.
- Regularly review the implementation and effectiveness of this policy.

### **Employee information**

The company encourages innovation at every level through open communication with employees. Twice yearly road shows around the UK allows all employees to discuss their concerns and ideas with the senior management in an open forum. We also identify employee aspirations for promotion and development through yearly appraisals.

Every employee is informed of the Visions, Valued Behaviours and Strategy of the organisation at their induction and yearly thereafter. A quarterly newsletter is distributed to every employee to assist with this initiative.

Employee participation is important at our CSR and Health and Safety Committee meetings. Each employee group are represented to ensure our obligations are met.

### **Training**

The Westway Apprenticeship programme will provide a platform for young people to build on their qualifications and at the end of the apprenticeship term, we will, wherever possible, place them in a permanent role within the business and further develop their working experience through relevant technical training. We offer technical training for all engineers to develop and maintain a highly skilled workforce: this will assist us to reach our goal to be the 'Technical Provider of Choice'.

Directors, managers and administrators will also be offered development training to assist and improve their capabilities where appropriate. The company's commitment to training should result in a strong workforce that is dedicated to its overall goals.

# Westway Services Limited

## Report of the directors for the year ended 29 February 2016 (*continued*)

---

### Directors

The directors of the company during the year were:

A Donnell	
V J Hale	(resigned 9 December 2015)
D E Steventon	(resigned 9 December 2015)
C Wyrill	(resigned 9 December 2015)
J R Pease	(appointed 13 July 2015)
J Spencer	(appointed 9 December 2015 and resigned 31 March 2016)
M Bindeman	(appointed 9 December 2015)

### Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Qualifying Indemnity Provision

The company has put in place qualifying third party indemnity provisions for all of the directors of Westway Services Limited.

# **Westway Services Limited**

## **Report of the directors for the year ended 29 February 2016 (*continued*)**

---

### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and offer themselves for reappointment as auditors in accordance with Section 485 of the Companies Act 2006. A resolution to re-appoint them will be proposed at the annual general meeting.

**On behalf of the Board**



A Donnell  
**Director**

Date 24.11.2016

# **Westway Services Limited**

## **Independent auditor's report**

---

### **TO THE MEMBERS OF WESTWAY SERVICES LIMITED**

We have audited the financial statements of Westway Services Limited for the year ended 29 February 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 February 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

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



# Westway Services Limited

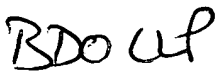
## Independent auditor's report (*continued*)

---

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



*Christopher Pooles (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Reading  
United Kingdom*

25 November 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Westway Services Limited

## Statement of comprehensive income for the year ended 29 February 2016

	Note	2016 £	2015 £
<b>Turnover</b>	3	<b>51,709,259</b>	38,754,665
Cost of sales		<b>(40,001,214)</b>	(29,546,086)
<b>Gross profit</b>		<b>11,708,045</b>	9,208,579
Administrative expenses		<b>(10,958,950)</b>	(5,076,223)
<b>Operating profit</b>	4	<b>749,095</b>	4,132,356
Other interest receivable and similar income	7	<b>3,477</b>	4,133
Interest payable	8	<b>(21,348)</b>	(3,610)
<b>Profit on ordinary activities before taxation</b>		<b>731,224</b>	4,132,879
Taxation on profit from ordinary activities	9	<b>(19,886)</b>	8,212
<b>Profit on ordinary activities after taxation</b>		<b>711,338</b>	4,141,091
<b>Total comprehensive income for the year</b>		<b>711,338</b>	4,141,091

All amounts relate to continuing activities.

The notes on pages 11 to 21 form part of these financial statements.

# Westway Services Limited

## Balance sheet at 29 February 2016

<b>Company number 04039888</b>	<b>Note</b>	<b>2016 £</b>	<b>2016 £</b>	<b>2015 £</b>	<b>2015 £</b>
<b>Fixed assets</b>					
Tangible assets	10		436,714		352,137
<b>Current assets</b>					
Stocks	11	263,000		245,000	
Debtors	12	28,527,682		21,987,262	
Cash at bank and in hand		3,793,078		3,070,260	
		<u>32,583,760</u>		<u>25,302,522</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>10,602,612</u>		<u>7,750,307</u>	
<b>Net current assets</b>			<u>21,981,148</u>		<u>17,552,215</u>
<b>Total assets less current liabilities</b>			<u>22,417,862</u>		<u>17,904,352</u>
<b>Provisions for liabilities and charges</b>	15		<u>52,040</u>		<u>25,567</u>
<b>Net assets</b>			<u>22,365,822</u>		<u>17,878,785</u>
<b>Capital and reserves</b>					
Called up share capital	16		1,000		1,000
Capital contribution			3,970,385		194,686
Profit and loss account			<u>18,394,437</u>		<u>17,683,099</u>
<b>Shareholders' funds</b>			<u>22,365,822</u>		<u>17,878,785</u>

The financial statements were approved by the Board and authorised for issue on 24/11/2016,



A Donnell  
Director

The notes on pages 11 to 21 form part of these financial statements.

# Westway Services Limited

## Statement of changes in equity at 29 February 2016

	Share capital £	Capital contribution £	Profit and loss account £	Total equity £
At 1 March 2014	1,000	194,686	13,542,008	13,737,694
Profit for the year	-	-	4,141,091	4,141,091
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4,141,091</b>	<b>4,141,091</b>
<b>At 28 February 2015</b>	<b>1,000</b>	<b>194,686</b>	<b>17,683,099</b>	<b>17,878,785</b>
Profit for the year	-	-	711,338	711,338
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>711,338</b>	<b>711,338</b>
Share based payment	-	3,775,699	-	3,775,699
<b>At 29 February 2016</b>	<b>1,000</b>	<b>3,970,385</b>	<b>18,394,437</b>	<b>22,365,822</b>

The notes on pages 11 to 21 form part of these financial statements.

# Westway Services Limited

## Notes forming part of the financial statements for the year ended 29 February 2016

---

### 1 Accounting policies

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

Westway Services Limited is a company incorporated in England and Wales and domiciled in the United Kingdom under the Companies Act. The address of the registered office is given on the contents page. The nature of the company's operations and its principal activities are set out in the strategic report.

The financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland. FRS 102 is mandatory for periods beginning on or after 1 January 2015. Information on the impact of first time adoption of FRS 102 is given in note 22.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

#### *Financial reporting standard 102 - reduced disclosure exemptions*

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 for qualifying entities:

- Section 3 Financial Statement Presentation paragraph 3.17(d) and Section 7 Statement of Cash Flows not to prepare a statement of cash flows;
- Section 4 Statement of Financial Position paragraph 4.12(a) iv) not to prepare a reconciliation of the numbers of shares outstanding at the beginning and end of the year; and
- Section 33 Related Party Disclosures paragraph 33.7 not to disclose key management personnel compensation in total.

The following principal accounting policies have been applied:

#### *Cash flow statement*

The company has taken advantage of the exemption from preparing a statement of cash flow in preparing these financial statements, as permitted by FRS 102 for qualifying entities. The company's shareholders have been notified in writing about and do not object to the use of this exemption.

#### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax, plus an assessment of the value of works carried out to the end of the financial period for which no invoice or application for payment has been made. These amounts recognised but not invoiced by the year end date are included in accrued income.

#### *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write off the cost less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Fixtures, fittings and equipment	-	33% straight line
Plant and machinery	-	33% straight line
Motor vehicles	-	33% straight line

# Westway Services Limited

## Notes forming part of the financial statements for the year ended 29 February 2016 (*continued*)

---

### 1 Accounting policies (*continued*)

#### *Gains and losses on disposal of fixed assets*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the statement of comprehensive income.

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value.

#### *Long term contracts*

Long-term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for the contract. Where a loss is anticipated, it is recognised in full immediately in the statement of comprehensive income.

#### *Current and deferred taxation*

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

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

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### *Leased assets*

All of the company's leases are operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

The company has taken advantage of the optional exemption available to transition to FRS 102 which allows leases incentives on leases entered into before the date of transition to the standard (1 March 2014) to continue to be charged over the period to the first market rent review than the term of the lease.

For leases entered into on or after 1 March 2014, reverse premiums and similar incentives received to enter into operating leases agreements are released to profit or loss over the term of the lease.

# Westway Services Limited

## Notes forming part of the financial statements for the year ended 29 February 2016 (*continued*)

---

### 1 Accounting policies (*continued*)

#### *Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately in an independently administered fund.

#### *Financial assets*

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

#### *Holiday pay accrual*

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the year end date.

#### *Share based payments*

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each year end date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all the other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied.

Where the terms and conditions of options are modified before they vest, the increase in fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss account over the remaining vesting period.

#### *Finance costs*

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

#### *Reserves*

A description of the company's reserves is as follows:

- Called up share capital represents the nominal value of the shares issued;
- Capital contribution represents amounts contributed to the company by the parent company;
- Profit and loss accounts represent cumulative profits or losses net of other adjustments.

# Westway Services Limited

## Notes forming part of the financial statements for the year ended 29 February 2016 (*continued*)

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results.

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company as lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

#### *Other key areas of estimation uncertainty*

- Consider the recoverability of accrued income and debtors based on the directors' knowledge of the projects and customer specific situations.

### 3 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

### 4 Operating profit

	2016 £	2015 £
This has been arrived at after charging:		
Depreciation	227,362	143,900
Hire of other assets - operating leases	1,389,411	903,078
Hire of land and buildings - operating leases	197,283	178,160
Auditor's remuneration:		
- audit services	31,000	25,500
- non-audit services	3,250	6,400
	<hr/>	<hr/>



# Westway Services Limited

Notes forming part of the financial statements  
for the year ended 29 February 2016 (continued)

## 5 Employees

	2016 £	2015 £
Employment costs:		
Wages and salaries	18,206,272	11,906,998
Social security costs	1,920,008	1,245,508
Other pension costs	345,581	219,440
Share based payment	3,775,699	-
	<u>24,247,560</u>	<u>13,371,946</u>

The average monthly number of employees (including directors) during the year was:

	2016 Number	2015 Number
Manufacturing and servicing	414	279
Office and management	107	60
	<u>521</u>	<u>339</u>

## 6 Directors' emoluments

	2016 £	2015 £
Emoluments for qualifying services	621,928	647,240
Company pension contributions to money purchase schemes	9,220	14,850
	<u>631,148</u>	<u>662,090</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2015 - 2).

Emoluments of the highest paid director amounted to £304,079 (2015 - £243,818), contributions to their defined contribution pension scheme amounted to £Nil (2015 - £8,250).

The number of directors who exercised share options during the year were 1 (2015 - £Nil).

# Westway Services Limited

Notes forming part of the financial statements  
for the year ended 29 February 2016 (*continued*)

<b>7 Other interest receivable and similar income</b>	<b>2016 £</b>	<b>2015 £</b>
Bank interest	3,477	4,133
	<hr/>	<hr/>
<b>8 Interest payable</b>	<b>2016 £</b>	<b>2015 £</b>
Bank interest	21,348	3,610
	<hr/>	<hr/>
<b>9 Taxation on profit from ordinary activities</b>	<b>2016 £</b>	<b>2015 £</b>
<i>Current tax</i>		
Adjustment in respect of prior period	(6,587)	(76,476)
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	29,611	69,541
Adjustments in respect of prior periods	(646)	(1,277)
Effect of tax rate change on opening balance	(2,492)	-
	<hr/>	<hr/>
Deferred tax charge for the year	26,473	68,264
	<hr/>	<hr/>
Taxation on profit on ordinary activities	19,886	(8,212)
	<hr/>	<hr/>
The tax assessed for the year is different to the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:		
	<b>2016 £</b>	<b>2015 £</b>
Profit on ordinary activities before taxation	731,224	4,132,879
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.08% (2015 - 21.17%)	146,830	874,930
Effects of:		
Fixed asset differences	5,061	6,088
Expenses not deductible for tax purposes	786,388	50,374
Income not taxable for tax purposes	(27,114)	
Other permanent differences	(613,909)	(931,845)
Losses carried back	-	68,192
Group relief surrendered/(claimed)	(260,223)	-
Adjustments to current and deferred tax in respect of previous periods	(7,233)	(76,476)
Adjustments to opening and closing deferred tax to average rate	(5,921)	(5,344)
Other tax adjustments	(3,993)	5,869
	<hr/>	<hr/>
Total tax charge/(credit) for the year	19,886	(8,212)
	<hr/>	<hr/>

# Westway Services Limited

Notes forming part of the financial statements  
for the year ended 29 February 2016 (*continued*)

## 10 Tangible fixed assets

	Fixtures, fittings and equipment £	Plant and machinery £	Motor vehicles £	Total £
<i>Cost</i>				
At 1 March 2015	293,934	372,951	12,250	679,135
Additions	83,287	228,652	-	311,939
Reclassification	601,603	(601,603)	-	-
Disposals	(92,828)	-	-	(92,828)
	<hr/>	<hr/>	<hr/>	<hr/>
At 29 February 2016	<b>885,996</b>	<b>-</b>	<b>12,250</b>	<b>898,246</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 March 2015	83,987	233,824	9,187	326,998
Provided for the year	142,958	81,341	3,063	227,362
Reclassification	315,165	(315,165)	-	-
Disposals	(92,828)	-	-	(92,828)
	<hr/>	<hr/>	<hr/>	<hr/>
At 29 February 2016	<b>449,282</b>	<b>-</b>	<b>12,250</b>	<b>461,532</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 29 February 2016	<b>436,714</b>	<b>-</b>	<b>-</b>	<b>436,714</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 28 February 2015	209,947	139,127	3,063	352,137
	<hr/>	<hr/>	<hr/>	<hr/>

## 11 Stocks

	2016 £	2015 £
Raw materials and consumables	<b>263,000</b>	245,000
	<hr/>	<hr/>

The directors consider that there is no material difference between the replacement cost of stocks and the amounts stated above.

The amount of stock consumed in each year presented was as follows:

	29 February 2016 £	28 February 2015 £
Amount of stock consumed	<b>17,208,305</b>	12,804,374
	<hr/>	<hr/>

# Westway Services Limited

## Notes forming part of the financial statements for the year ended 29 February 2016 (continued)

### 12 Debtors

	2016 £	2015 £
Trade debtors	10,094,103	6,067,666
Amounts owed by group companies	14,866,616	12,883,893
Other debtors	324,678	45,675
Prepayments	396,874	340,964
Corporation tax	4,737	-
Accrued income	2,840,674	2,649,064
	<u>28,527,682</u>	<u>21,987,262</u>

All amounts shown under debtors fall due for payment within one year.

### 13 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	6,191,129	4,983,452
Amounts owed to group companies	2,011,265	-
Corporation tax	-	157,359
Other taxation and social security	1,435,068	1,216,003
Other creditors	95,876	75,791
Accruals	869,274	1,317,702
	<u>10,602,612</u>	<u>7,750,307</u>

### 14 Financial instruments

The company's financial instruments may be analysed as follows:

	2016 £'000	2015 £'000
<b>Financial assets</b>		
Financial assets measured at amortised cost	28,126,081	21,646,298
Financial assets that are cash and cash equivalents	3,793,078	3,070,260
	<u>31,919,159</u>	<u>24,716,558</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	9,167,544	6,376,945
	<u>9,167,544</u>	<u>6,376,945</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and amounts owed by group companies.

Financial liabilities measured at amortised cost comprises of trade creditors, other creditors and accruals.

# Westway Services Limited

Notes forming part of the financial statements  
for the year ended 29 February 2016 (continued)

## 15 Provision for liabilities and charges

	2016 £	2015 £
<i>Deferred tax</i>		
At 1 March 2015	25,567	(42,697)
Transferred to profit and loss account	26,473	68,264
	<hr/>	<hr/>
At 28 February 2016	52,040	25,567
	<hr/>	<hr/>
<i>Deferred tax liability from:</i>		
Fixed asset timing differences	63,708	48,892
Short term timing differences	(11,668)	(23,325)
	<hr/>	<hr/>
Total deferred tax liability	52,040	25,567
	<hr/>	<hr/>

## 16 Share capital

	2016 £	2015 £
<i>Allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>

### Share based payments

Westway Services Holdings (2014) Limited, the intermediate parent company, entered into a company share option scheme for directors and employees of Westway Services Limited during the year. The scheme is in respect of the Westway Services Holdings (2014) Limited's ordinary shares of £0.01 each. Options vested immediately when granted and remain exercisable for up to 10 years from the grant date and there are no performance criteria that must be satisfied.

	Weighted average exercise price (pence) 2016	Number 2016
Granted during the year	£0.01	10,500,000
Exercised during the year	£0.01	10,500,000
	<hr/>	<hr/>
Outstanding at the end of the year	-	-
	<hr/>	<hr/>

The options were granted and exercised during the year at an exercise price of £0.01. There were no share options outstanding at the year end.

Westway Services Holdings (2014) Limited was acquired by ABM International (Holdings) Limited in December 2015. The directors consider the consideration per share for this acquisition reflects the fair value of the options granted during the year.

# Westway Services Limited

## Notes forming part of the financial statements for the year ended 29 February 2016 (continued)

### 17 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. The amount recognised in the profit and loss account as an expense in relation to the defined contribution scheme is £345,581 (2015 - £60,120). At 29 February 2016 £54,821 (2015 - £76,127) of contributions were outstanding.

### 18 Financial commitments

As at 29 February 2016, the company had minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings 2016 £	Other 2016 £	Land and buildings 2015 £	Other 2015 £
Not later than 1 year	189,399	1,067,621	170,216	440,589
Later than 1 and not later than 5 years	735,972	1,032,772	626,592	496,523
Later than five years	473,807	-	630,884	-
	<u>1,399,178</u>	<u>2,100,393</u>	<u>1,427,692</u>	<u>937,112</u>

### 19 Contingent liabilities

The Westway group's borrowings were secured by cross-guarantees and fixed and floating charges over the assets of the company in the prior year. The borrowings were repaid during the year.

#### Guarantee to third parties

The assets of the company were subject to a charge in favour of The Royal Bank of Scotland in respect of the bank's loan to Westway Services Holdings (2014) Limited, the company's intermediate parent company. At 29 February 2016 the amount outstanding in respect of this loan was £nil (2015 - £4,500,000). The debt in Westway Services Holdings (2014) was repaid during the year.

A director of the company had given a personal guarantee of £100,000 in favour of The Royal Bank of Scotland Invoice Financing Limited in respect of the company's invoice financing facility. The invoice financing facility was closed during the year.

# Westway Services Limited

## Notes forming part of the financial statements for the year ended 29 February 2016 (continued)

### 20 Controlling party and ultimate parent company

At 29 February 2016 the company's immediate parent company was Westway Services Holdings (2010) Limited, a company registered in England and Wales.

The company's ultimate parent company is ABM Industries Inc., a company incorporated in United States of America. ABM Industries Inc. will be the largest group of undertakings for which consolidated accounts including results of the company are prepared. The consolidated financial statements of ABM Industries Inc. are available to the public and can be obtained from 557 Fifth Avenue, Suite 300, New York, NY10176.

Westway Services Holdings (2014) Limited is the intermediate parent for which consolidated accounts including results of the company are prepared as at 29 February 2016. Copies of the consolidated financial statements of Westway Services Holdings (2014) Limited are available from Companies House.

### 21 Related party disclosures

Included in creditors is a non-trading balance of £2,011,265 (2015 – £Nil) owed to ABM Industries Inc.

### 22 First time adoption of FRS 102

This is the first year that the company has prepared its financial statements in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland. The last financial statements prepared in accordance with accounting standards previously applicable in the United Kingdom and the Republic of Ireland were for the year ended 28 February 2015. The date of transition to FRS 102 was 1 March 2014.

	Note	Equity as at 1 March 2014	Profit for the year ended 28 February 2015	Equity as at 28 February 2015
		£	£	£
<b>As previously stated under former UK GAAP</b>		13,844,947	4,168,838	18,013,785
<b>Transitional adjustments</b>				
Holiday pay accrual	a	(107,253)	(27,747)	(135,000)
<b>As stated in accordance with FRS 102</b>		<b>13,737,694</b>	<b>4,141,091</b>	<b>17,878,785</b>

Explanation of changes to previously reported profit and equity

- FRS 102 requires an accrual to be recognised for paid annual leave in respect of employees who have taken less than their accrued entitlement. A transition adjustment has been made to reduce the profit and loss account reserve at the date of transition.