

Westway Services Limited

Report and Financial Statements

Period Ended

31 October 2016

Company Number 04039888

FRIDAY



L6LSNZ63

L17

22/12/2017

#42

COMPANIES HOUSE

Westway Services Limited

**Report and financial statements
for the period ended 31 October 2016**

Contents

Page:

1	Strategic report
3	Report of the directors
5	Directors responsibilities
6	Independent auditor's report to the members of Westway Services Limited
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

Auditor

KPMG LLP, 58 Clarendon Road, Watford, WD17 1DE

Country of incorporation

England and Wales

Westway Services Limited

**Strategic report
for the period ended 31 October 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 eight months to 31 October 2016.

During this period the company achieved a turnover of £38,005,184 (2016 - £51,709,259) and profit after tax of £2,818,315 (2016 - £711,338).

The company is highly cash generative with a bank balance at the end of the period of £753,780 (2016 - £3,793,078).

The average number of employees increased by 60 to 581 (2016 - 521) which is an increase of 11.5%.

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; and
- To continue to increase the training, skills and motivation of our workforce.

Westway Services Limited

**Strategic report
for the period ended 31 October 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.

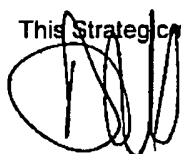
As a result of the move to a blue chip customer base the directors are confident that there is little risk of bad debts and stringent cash collection procedures keep debtors to a minimum.

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 20 December 2017.



**A Donnell
Director**

Westway Services Limited

Report of the directors for the period ended 31 October 2016

The directors present their report together with the strategic report and audited financial statements for the period ended 31 October 2016.

During the year, the Company changed its accounting reference date from 29 February to 31 October. As a result, the current period results are for an eight month period whereas the prior period comparatives are for a full year.

Results and dividends

The statement of comprehensive income is set out on page 8 and shows the profit for the period £2,818,315 (2016 - £711,338).

The directors do not recommend the payment of a dividend (2016 - £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 period ended 31 October 2016 (*continued*)**

Directors

The directors of the company during the period 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)

Westway Services Limited

Directors responsibilities for the period ended 31 October 2016

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice); including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the Board



A Donnell
Director

Date: 20 December 2017

Westway Services Limited

Independent auditor's report

TO THE MEMBERS OF WESTWAY SERVICES LIMITED

We have audited the financial statements of Westway Services Limited ("the company") for the 8 month period ended 31 October 2016 which comprise the Profit and Loss Account and Other Comprehensive income, the Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and Directors' report

The directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Westway Services Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Kelly Dunn (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
58 Clarendon Road
Watford
Hertfordshire WD17 1DE
United Kingdom

20 December 2017

Westway Services Limited

Statement of Comprehensive Income for the period ended 31 October 2016

	Note	1 Mar 2016 to 31 Oct 2016 £	Year ended 29 Feb 2016 £
Turnover	3	38,005,184	51,709,259
Cost of sales		(29,401,610)	(40,001,214)
Gross profit		8,603,574	11,708,045
Administrative expenses		(5,079,215)	(10,958,950)
Operating profit	4	3,524,359	749,095
Interest receivable and similar income	7	23,950	3,477
Interest payable	8	(3,061)	(21,348)
Profit before taxation		3,545,248	731,224
Taxation on profit	9	(726,933)	(19,886)
Profit after taxation		2,818,315	711,338
Total comprehensive income for the period		2,818,315	711,338

All amounts relate to continuing activities.

The notes on pages 11 to 24 form part of these financial statements.

Westway Services Limited

Balance sheet at 31 October 2016

<i>Company number 04039888</i>	<i>Note</i>	31 October 2016	29 February 2016
		£	£
Fixed assets			
Intangible assets	10	241,248	109,060
Tangible assets	11	287,287	327,654
		<u>528,535</u>	<u>436,714</u>
Current assets			
Stocks	12	239,000	263,000
Debtors	13	33,855,694	28,527,682
Cash at bank and in hand		753,780	3,793,078
		<u>34,848,474</u>	<u>32,583,760</u>
Creditors: amounts falling due within one year	14	<u>10,167,850</u>	<u>10,602,612</u>
Net current assets		<u>24,680,624</u>	<u>21,981,148</u>
Total assets less current liabilities		<u>25,209,159</u>	<u>22,417,862</u>
Provisions for liabilities and charges	16	<u>25,022</u>	<u>52,040</u>
Net assets		<u>25,184,137</u>	<u>22,365,822</u>
Capital and reserves			
Called up share capital	17	1,000	1,000
Capital contribution		3,970,385	3,970,385
Profit and loss account		21,212,752	18,394,437
Shareholders' funds		<u>25,184,137</u>	<u>22,365,822</u>

The financial statements were approved by the Board and authorised for issue on 20 December 2017.


A Donnell
Director

The notes on pages 11 to 24 form part of these financial statements.

Westway Services Limited

Statement of changes in equity at 31 October 2016

	Share capital £	Capital contribution £	Profit and loss account £	Total equity £
At 1 March 2015	1,000	194,686	17,683,099	17,878,785
Profit for the year	-	-	711,338	711,338
Share based payments	-	3,775,699	-	3,775,699
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	3,775,699	711,338	4,487,037
	<hr/>	<hr/>	<hr/>	<hr/>
At 28 February 2016	1,000	3,970,385	18,394,437	22,365,822
Profit for the period	-	-	2,818,315	2,818,315
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	2,818,315	2,818,315
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2016	1,000	3,970,385	21,212,752	25,184,137
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 11 to 24 form part of these financial statements.

Westway Services Limited

Notes forming part of the financial statements for the period ended 31 October 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.

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 period 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 period ended 31 October 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 period ended 31 October 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 period 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 period ended 31 October 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

	Eight months ended 31 Oct 2016 £	Year ended 29 Feb 2016 £
This has been arrived at after charging:		
Depreciation	145,743	227,362
Amortisation	38,773	-
Hire of other assets - operating leases	940,572	1,389,411
Hire of land and buildings - operating leases	141,788	197,283
Auditor's remuneration:		
- audit services	33,000	31,000
- non-audit services	12,750	3,250
	<hr/>	<hr/>

Westway Services Limited

Notes forming part of the financial statements
for the period ended 31 October 2016 (continued)

5 Employees

	Eight months ended 31 Oct 2016 £	Year ended 29 Feb 2016 £
Employment costs:		
Wages and salaries	13,718,926	18,206,272
Social security costs	1,415,773	1,920,008
Other pension costs	262,747	345,581
Share based payment	-	3,775,699
	<u>15,397,446</u>	<u>24,247,560</u>

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

	Eight months ended 31 Oct 2016 Number	Year ended 29 Feb 2016 Number
Manufacturing and servicing	465	414
Office and management	116	107
	<u>581</u>	<u>521</u>

6 Directors' emoluments

	Eight months ended 31 Oct 2016 £	Year ended 29 Feb 2016 £
Emoluments for qualifying services	118,653	621,928
Company pension contributions to money purchase schemes	3,317	9,220
	<u>121,970</u>	<u>631,148</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2016 - 2).

Emoluments of the highest paid director amounted to £86,252 (2016 - £304,079), contributions to their defined contribution pension scheme amounted to nil (2016 - £nil).

The number of directors who exercised share options during the period were nil (2016 - £Nil).

Westway Services Limited

Notes forming part of the financial statements
for the period ended 31 October 2016 (*continued*)

7	Other interest receivable and similar income	Eight months ended 31 Oct 2016 £	Year ended 29 Feb 2016 £
	Bank interest	3,434	3,477
	Other interest	20,516	-
		<u>23,950</u>	<u>3,477</u>
8	Interest payable	Eight months ended 31 Oct 2016 £	Year ended 29 Feb 2016 £
	Bank interest	3,061	21,348
9	Taxation on profit	Eight months ended 31 Oct 2016 £	Year ended 29 Feb 2016 £
	<i>Current tax</i>		
	Current tax on income for the period	753,951	(6,587)
	<i>Deferred tax</i>		
	Origination and reversal of timing differences	(28,296)	29,611
	Adjustments in respect of prior periods	(80)	(646)
	Effect of tax rate change on opening balance	1,358	(2,492)
	Deferred tax charge for the financial period	<u>(27,018)</u>	<u>26,473</u>
	Total tax	<u>726,933</u>	<u>19,886</u>

Factors that may affect future current and total tax credit

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax at 31 October 2016 has been calculated based on these rates.

Westway Services Limited

Notes forming part of the financial statements
for the period ended 31 October 2016 (*continued*)

9 Taxation on profit (*continued*)

Reconciliation of effective tax rate

	Eight months ended 31 Oct 2016 £	Year ended 29 Feb 2016 £
Profit for the period	2,818,315	711,338
Total tax expense	726,933	19,886
Profit excluding taxation	3,545,248	731,224
Tax using the UK corporation tax rate of 20.08% (2016 - 20.08%)	709,050	146,830
Fixed asset differences	-	5,061
Expenses not deductible for tax purposes	16,605	786,388
Income not taxable for tax purposes	-	(27,114)
Other permanent differences	-	(613,909)
Group relief claimed	-	(260,223)
Adjustments to current and deferred tax in respect of previous periods	(80)	(7,233)
Adjustments to opening and closing deferred tax to average rate	1,358	(5,921)
Other tax adjustments	-	(3,993)
Total tax expense included in profit or loss	726,933	19,886

Westway Services Limited

Notes forming part of the financial statements
for the period ended 31 October 2016 (*continued*)

10 Intangible assets

	Computer Software £
<i>Cost</i>	
At 1 March 2016	217,995
Additions	170,961
	<hr/>
At 31 October 2016	388,956
	<hr/>
<i>Amortisation</i>	
At 1 March 2016	108,935
Charge for the year	38,773
	<hr/>
At 31 October 2016	147,708
	<hr/>
<i>Net book value</i>	
At 31 October 2016	241,248
	<hr/>
At 28 February 2016	109,060
	<hr/>

Westway Services Limited

Notes forming part of the financial statements
for the period ended 31 October 2016 (*continued*)

11 Tangible assets

	Fixtures, fittings and equipment £	Plant and machinery £	Motor vehicles £	Total £
<i>Cost</i>				
At 1 March 2016	323,269	344,731	12,250	680,250
Additions	35,462	69,914	-	105,376
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2016	358,731	414,645	12,250	785,626
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 March 2016	190,985	149,361	12,250	352,596
Provided for the period	75,331	70,412	-	145,743
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 October 2016	266,316	219,773	12,250	498,339
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 October 2016	92,415	194,872	-	287,287
	<hr/>	<hr/>	<hr/>	<hr/>
At 28 February 2016	132,284	195,370	-	327,654
	<hr/>	<hr/>	<hr/>	<hr/>

12 Stocks

	Eight months ended 31 Oct 2016 £	Year ended 29 Feb 2016 £
Raw materials and consumables	239,000	263,000
	<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 period presented was as follows:

	Eight months ended 31 Oct 2016 £	Year ended 29 Feb 2016 £
Amount of stock consumed	12,234,079	17,208,305
	<hr/>	<hr/>

Westway Services Limited

Notes forming part of the financial statements
for the period ended 31 October 2016 *(continued)*

13 Debtors

	Eight months ended 31 Oct 2016 £	Year ended 29 Feb 2016 £
Trade debtors	11,805,788	10,094,103
Amounts owed by group companies	17,822,581	14,866,616
Other debtors	465,677	324,678
Prepayments	289,013	396,874
Corporation tax	-	4,737
Accrued income	3,472,635	2,840,674
	<hr/>	<hr/>
	33,855,694	28,527,682
	<hr/>	<hr/>

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

14 Creditors: amounts falling due within one year

	Eight months ended 31 Oct 2016 £	Year ended 29 Feb 2016 £
Trade creditors	5,027,346	6,191,129
Amounts owed to group companies	-	2,011,265
Corporation tax	750,154	-
Other taxation and social security	1,367,136	1,435,068
Other creditors	83,127	95,876
Accruals	1,721,347	869,274
Deferred Income	1,218,740	-
	<hr/>	<hr/>
	10,167,850	10,602,612
	<hr/>	<hr/>

Westway Services Limited

Notes forming part of the financial statements
for the period ended 31 October 2016 (*continued*)

15 Financial instruments

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

	Eight months ended 31 Oct 2016 £'000	Year ended 29 Feb 2016 £'000
Financial assets		
Financial assets measured at amortised cost	33,566,681	28,126,081
Financial assets that are cash and cash equivalents	753,780	3,793,078
	<u>34,320,461</u>	<u>31,919,159</u>
Financial liabilities		
Financial liabilities measured at amortised cost	8,050,560	9,167,544
	<u>8,050,560</u>	<u>9,167,544</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 period ended 31 October 2016 (*continued*)

16 Provision for liabilities and charges

	Eight months ended 31 Oct 2016 £	Year ended 29 Feb 2016 £
<i>Deferred tax</i>		
At the beginning of the year	52,040	25,567
Transferred to profit and loss account	(27,018)	26,473
	<hr/>	<hr/>
At year end	25,022	52,040
	<hr/>	<hr/>
<i>Deferred tax liability from:</i>		
Fixed asset timing differences	35,107	63,708
Short term timing differences	(10,085)	(11,668)
	<hr/>	<hr/>
Total deferred tax liability	25,022	52,040
	<hr/>	<hr/>

17 Share capital

	Eight months ended 31 Oct 2016 £	Year ended 29 Feb 2016 £
<i>Allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>

18 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 £262,747 (2016 - £345,581). At 31 October 2016 £59,326 (2016 - £54,821) of contributions were outstanding.

Westway Services Limited

Notes forming part of the financial statements
for the period ended 31 October 2016 (*continued*)

19 Financial commitments

As at 31 October 2016, the company had minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings Eight months ended 31 Oct 2016 £	Other Eight months ended 31 Oct 2016 £	Land and buildings Year ended 29 Feb 2016 £	Other Year ended 29 Feb 2016 £
Not later than 1 year	192,376	1,020,132	189,399	1,067,621
Later than 1 and not later than 5 years	686,139	758,786	735,972	1,032,772
Later than five years	469,944	-	473,807	-
	<u>1,348,459</u>	<u>1,778,918</u>	<u>1,399,178</u>	<u>2,100,393</u>

20 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 2015. The borrowings were repaid during the prior year.

Westway Services Limited

**Notes forming part of the financial statements
for the period ended 31 October 2016 (*continued*)**

21 Controlling party and ultimate parent company

At 31 October 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.

22 Related party disclosures

Included in creditors is a non-trading balance of £Nil (2016 – £2,011,265) owed to ABM Industries Inc.