

**Registered number: 04039888**

## **ABM Technical Solutions Limited**

**Annual report and financial statements**

**For the year ended 31 October 2018**



## **ABM Technical Solutions Limited**

### **Company Information**

**Directors**

M Bindeman  
C Stevenson

**Company secretary**

Oakwood Corporate Secretary Limited

**Registered number**

04039888

**Registered office**

Artemis Building  
Odyssey Business Park  
West End Road  
South Ruslip  
Middlesex  
HA4 6QE

**Independent auditors**

Kreston Reeves LLP  
Chartered Accountants & Statutory Auditor  
Third Floor  
24 Chiswell Street  
London  
EC1Y 4YX

# **ABM Technical Solutions Limited**

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## **ABM Technical Solutions Limited**

### **Strategic report**

**For the year ended 31 October 2018**

#### **Introduction**

The principal activity of the company is the provision of technical services in air conditioning, heating, refrigeration and electrical maintenance. ABM Technical Solutions Limited offers a facilities management service for a range of blue-chip companies in the commercial, retail and industrial markets.

#### **Business review**

ABM Technical Solutions Limited changed its company name from Westway Services Limited on 28 December 2017.

The company has seen competitive pressures on margins with gross profit margin decreasing year on year by 16%. The company has seen an annualised decrease in revenue of 5% whilst annualised administrative costs decreased.

During the period the company achieved a turnover of £62,301,309 (2017: £65,493,996) and profit after tax of £1,737,921 (2017: £3,744,462).

The company is cash generative with a bank balance at the end of the period of £2,726,989 (2017: £1,580,054)

Work continued during the year to build the supporting administration and management infrastructure for the longer term. Dual running costs were incurred as functions continued to be centralised across UK ABM Group sister companies.

We consider the business to be well placed, with the support of the US parent and co-operation of Group sister companies, to offer a wide range of facility services and the pipeline of potential new contracts continues to be good.

#### **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 has 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 limited risk of bad debts and stringent cash collection procedures keep debtors to a minimum.

The management team has produced a register of all the perceived risks that face the business, which is formally reviewed by the board on a regular basis. At the end of this financial year we consider the company to not have any significant risks.

The Company operates in a diverse market place which helps to minimise its exposure to financial risk.

#### **Foreign exchange risk**

The Company is not exposed to foreign exchange risk as the Company operates wholly within the United Kingdom.

## **ABM Technical Solutions Limited**

**Strategic report (continued)**  
**For the year ended 31 October 2018**

### **Credit rate risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company takes an aggressive approach to debtor management and liaises closely with its client base to minimise any risk of non-payment of debts.

### **Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding in liquidity risk management requirements.

### **Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to provide returns to shareholders. The Company's defines capital as share capital plus reserves. The Company is not subject to any externally imposed capital requirement.


### **Financial key performance indicators**

The business model is relatively straightforward. The Company reviews variances in revenue, costs and profitability compared to budget, monthly.

### **Other key performance indicators**

The company tracks sales leads and pipeline growth, contract profitability, contract retention statistics and headcount statistics.

This report was approved by the board on 13<sup>th</sup> December 2019 and signed on its behalf.

  
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**C Stevenson**  
Director

## **ABM Technical Solutions Limited**

### **Directors' report**

**For the year ended 31 October 2018**

The directors present their report and the financial statements for the year ended 31 October 2018.

### **Directors' responsibilities statement**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

### **Results and dividends**

The profit for the year, after taxation, amounted to £1,737,921 (2017 - £3,744,462).

The directors do not recommend the payment of a dividend in the year (2017: £Nil).

### **Directors**

The directors who served during the year were:

M Bindeman

C Stevenson (appointed 6 April 2018)

### **Future developments**

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

## **ABM Technical Solutions Limited**

### **Directors' report (continued) For the year ended 31 October 2018**

#### **Employee Involvement**

The company encourages innovation at every level through open communication with employees. We regularly hold meetings around the UK which 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.

The directors would like to express their thanks to all the employees throughout the Company for their ongoing hard work and commitment in a demanding market place.

#### **Disabled employees**

The company is committed to an equal opportunities policy in respect of serving customers and employing staff. Within this policy ABM Technical Solutions Limited 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.

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

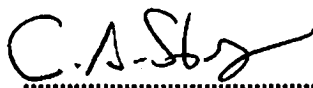
#### **Post balance sheet events**

There have been no significant events affecting the Company since the year end.

#### **Auditors**

The auditors, Kreston Reeves LLP, who were appointed on 13 March 2019, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 13<sup>th</sup> December 2019 and signed on its behalf.

  
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**C Stevenson**  
Director

## **ABM Technical Solutions Limited**

### **Independent auditors' report to the shareholders of ABM Technical Solutions Limited**

#### **Opinion**

We have audited the financial statements of ABM Technical Solutions Limited (the 'Company') for the year ended 31 October 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2018 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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.



## **ABM Technical Solutions Limited**

### **Independent auditors' report to the shareholders of ABM Technical Solutions Limited (continued)**

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 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 directors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**ABM Technical Solutions Limited**

**Independent auditors' report to the shareholders of ABM Technical Solutions Limited (continued)**

**Use of our report**

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 Auditors' 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.

*Kreston Reeves LLP*

Michael Cook BA(Hons) FCA (Senior statutory auditor)  
for and on behalf of

**Kreston Reeves LLP**  
Chartered Accountants  
Statutory Auditor  
London

Date: *16 DECEMBER 2019*

**ABM Technical Solutions Limited**

**Statement of comprehensive income  
For the year ended 31 October 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
Turnover	4	<b>62,301,309</b>	65,493,996
Cost of sales		<b>(53,044,084)</b>	(53,943,573)
<b>Gross profit</b>		<b>9,257,225</b>	11,550,423
Administrative expenses		<b>(7,028,593)</b>	(7,491,184)
<b>Operating profit</b>	5	<b>2,228,632</b>	4,059,239
Interest receivable and similar income	9	<b>15,405</b>	25,207
Interest payable and expenses	10	<b>(4)</b>	-
<b>Profit before tax</b>		<b>2,244,033</b>	4,084,446
Tax on profit	11	<b>(506,112)</b>	(339,984)
<b>Profit for the financial year</b>		<b>1,737,921</b>	3,744,462

There was no other comprehensive income for 2018 (2017:£NIL).

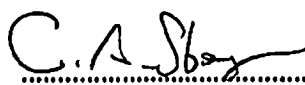
The notes on pages 11 to 23 form part of these financial statements.

**ABM Technical Solutions Limited**  
**Registered number: 04039888**

**Balance sheet**  
**As at 31 October 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Fixed assets</b>			
Intangible assets	12	453,029	308,651
Tangible assets	13	82,224	162,103
		<u>535,253</u>	<u>470,754</u>
<b>Current assets</b>			
Stocks	14	131,000	191,000
Debtors: amounts falling due within one year	15	37,042,535	37,126,518
Cash at bank and in hand	16	2,726,989	1,580,054
		<u>39,900,524</u>	<u>38,897,572</u>
Creditors: amounts falling due within one year	17	(9,745,751)	(10,416,221)
<b>Net current assets</b>		<u>30,154,773</u>	<u>28,481,351</u>
<b>Total assets less current liabilities</b>		<u>30,690,026</u>	<u>28,952,105</u>
<b>Provisions for liabilities</b>			
Deferred tax	19	(23,506)	(23,506)
		<u>(23,506)</u>	<u>(23,506)</u>
<b>Net assets</b>		<u>30,666,520</u>	<u>28,928,599</u>
<b>Capital and reserves</b>			
Called up share capital	20	1,000	1,000
Capital contribution	21	3,970,385	3,970,385
Profit and loss account	21	26,695,135	24,957,214
		<u>30,666,520</u>	<u>28,928,599</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
13<sup>th</sup> December 2019

  
.....  
**C Stevenson**  
Director

The notes on pages 11 to 23 form part of these financial statements.

**ABM Technical Solutions Limited**

**Statement of changes in equity  
For the year ended 31 October 2018**

	<b>Called up share capital</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 November 2016</b>	<b>1,000</b>	<b>3,970,385</b>	<b>21,212,752</b>	<b>25,184,137</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	<b>3,744,462</b>	<b>3,744,462</b>
<b>At 1 November 2017</b>	<b>1,000</b>	<b>3,970,385</b>	<b>24,957,214</b>	<b>28,928,599</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	<b>1,737,921</b>	<b>1,737,921</b>
<b>At 31 October 2018</b>	<b>1,000</b>	<b>3,970,385</b>	<b>26,695,135</b>	<b>30,666,520</b>

The notes on pages 11 to 23 form part of these financial statements.

**Notes to the financial statements  
For the year ended 31 October 2018**

**1. General information**

ABM Technical Solutions 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 registered address is also the company's principal place of business. The nature of the company's operations and its principal activities are set out in the Strategic report.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 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 the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of ABM Industries Inc as at 31 October 2018 and these financial statements may be obtained from 557 Fifth Avenue, Suite 300, New York, NY10176.

**2.3 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.

**2.4 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.5 Interest income**

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

**Notes to the financial statements  
For the year ended 31 October 2018**

**2. Accounting policies (continued)**

**2.6 Finance costs**

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

**2.7 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.8 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 Statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet 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. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

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

Where equity instruments are granted to persons other than employees, the Statement of comprehensive income is charged with fair value of goods and services received.

**Notes to the financial statements  
For the year ended 31 October 2018**

**2. Accounting policies (continued)**

**2.9 Current and deferred taxation**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

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

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

**2.10 Intangible assets**

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

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer software	-	4	years
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**2.11 Tangible fixed assets**

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



**Notes to the financial statements  
For the year ended 31 October 2018**

**2. Accounting policies (continued)**

**2.11 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	33%
Motor vehicles	-	33%
Fixtures and fittings	-	33%

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

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

**2.12 Stocks**

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

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

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

**2.14 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.

**2.15 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.16 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.17 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Notes to the financial statements  
For the year ended 31 October 2018**

**2. Accounting policies (continued)**

**2.18 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is 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 Balance sheet date.

**2.19 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**3. Judgments 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 the financial statements, the directors have made the following judgements:

- Determine whether leases entered 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.

**4. Turnover**

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

**5. Operating profit**

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation	105,147	181,489
Amortisation	206,472	109,446
Other operating lease rentals	1,288,797	1,512,940
Auditor's remuneration - non audit services	6,000	12,750

# **ABM Technical Solutions Limited**

## **Notes to the financial statements** **For the year ended 31 October 2018**

### **6. Auditors' remuneration**

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>30,000</u>	<u>56,615</u>

### **7. Employees**

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

	2018 £	2017 £
Wages and salaries	21,494,407	22,975,786
Social security costs	2,276,702	2,483,798
Cost of defined contribution scheme	395,656	403,886
	<u>24,166,765</u>	<u>25,863,470</u>

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

	2018 No.	2017 No.
Manufacturing and servicing	469	516
Office and management	117	136
	<u>586</u>	<u>652</u>

### **8. Directors' emoluments**

	2018 £	2017 £
Directors' emoluments	187,326	193,838
Company contributions to defined contribution pension schemes	4,997	5,100
	<u>192,323</u>	<u>198,938</u>

During the year retirement benefits were accruing to 1 director (2017 - 1) in respect of defined contribution pension schemes.

During the year no directors (2017: 1) received share options in the ultimate parent company under long term incentive schemes. No share options were exercised during the year.

**ABM Technical Solutions Limited**

**Notes to the financial statements  
For the year ended 31 October 2018**

**9. Interest receivable**

	2018 £	2017 £
Bank interest and Other interest receivable	15,405	25,207
	<u>15,405</u>	<u>25,207</u>

**10. Interest payable and similar expenses**

	2018 £	2017 £
Bank interest payable	4	-
	<u>4</u>	<u>-</u>

**11. Taxation**

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	480,000	843,096
Adjustments in respect of previous periods	26,112	(501,596)
	<u>506,112</u>	<u>341,500</u>
<b>Total current tax</b>	<u>506,112</u>	<u>341,500</u>
<b>/Deferred tax</b>		
Origination and reversal of timing differences	-	(20,077)
Adjustments in respect of prior periods	-	18,561
<b>Total deferred tax</b>	<u>-</u>	<u>(1,516)</u>
<b>Taxation on profit on ordinary activities</b>	<u>506,112</u>	<u>339,984</u>

## ABM Technical Solutions Limited

### Notes to the financial statements For the year ended 31 October 2018

#### 11. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 19.41%) as set out below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>2,244,033</u>	<u>4,084,446</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.41%)	426,366	792,791
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	53,634	24,144
Fixed asset differences	-	3,246
Adjustments to tax charge in respect of prior periods	26,112	(501,596)
Adjustments to tax charge in respect of previous periods - deferred tax	-	18,561
Adjustments to opening and closing deferred tax to average rate	-	2,838
<b>Total tax charge for the year</b>	<u>506,112</u>	<u>339,984</u>

##### Factors that may affect future tax charges

On 6 September 2016 the Finance Act 2016 was substantively enacted, reducing the rate of corporation tax that companies will apply for the financial year 2018 to 19% and financial year 2020 and onwards to 17%.

Notes to the financial statements  
For the year ended 31 October 2018

12. Intangible assets

	Computer software £
<b>Cost</b>	
At 1 November 2017	565,805
Additions	350,850
At 31 October 2018	916,655
<b>Amortisation</b>	
At 1 November 2017	257,154
Charge for the year	206,472
At 31 October 2018	463,626
<b>Net book value</b>	
At 31 October 2018	453,029
At 31 October 2017	308,651

13. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 November 2017	468,510	12,250	361,172	841,932
Additions	25,268	-	-	25,268
At 31 October 2018	493,778	12,250	361,172	867,200
<b>Depreciation</b>				
At 1 November 2017	332,680	12,250	334,899	679,829
Charge for the year on owned assets	87,918	-	17,229	105,147
At 31 October 2018	420,598	12,250	352,128	784,976
<b>Net book value</b>				
At 31 October 2018	73,180	-	9,044	82,224
At 31 October 2017	135,830	-	26,273	162,103

**ABM Technical Solutions Limited**

**Notes to the financial statements  
For the year ended 31 October 2018**

**14. Stocks**

	2018 £	2017 £
Finished goods and goods for resale	131,000	191,000
	<u>131,000</u>	<u>191,000</u>

**15. Debtors**

	2018 £	2017 £
Trade debtors	10,836,177	14,541,376
Amounts owed by group undertakings	23,234,664	18,317,971
Other debtors	463,235	421,890
Prepayments and accrued income	2,508,459	3,845,281
	<u>37,042,535</u>	<u>37,126,518</u>

**16. Cash and cash equivalents**

	2018 £	2017 £
Cash at bank and in hand	2,726,989	1,580,054
	<u>2,726,989</u>	<u>1,580,054</u>

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

	2018 £	2017 £
Trade creditors	4,628,338	6,222,334
Amounts owed to group undertakings	26,112	-
Corporation tax	832,272	830,730
Other taxation and social security	672,525	858,319
Obligations under finance lease and hire purchase contracts	150,840	16,575
Other creditors	136,458	128,740
Accruals and deferred income	3,299,206	2,359,523
	<u>9,745,751</u>	<u>10,416,221</u>

# **ABM Technical Solutions Limited**

## **Notes to the financial statements For the year ended 31 October 2018**

### **18. Financial instruments**

	2018 £	2017 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u><u>37,042,535</u></u>	<u><u>36,564,127</u></u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u><u>7,644,437</u></u>	<u><u>8,727,175</u></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 comprise of trade creditors, other creditors and accruals.

### **19. Deferred taxation**

	2018 £	2017 £
At beginning of year	<u>(23,506)</u>	<u>(23,506)</u>
<b>At end of year</b>	<u><u>(23,506)</u></u>	<u><u>(23,506)</u></u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	<u>(23,506)</u>	<u>(23,506)</u>
	<u><u>(23,506)</u></u>	<u><u>(23,506)</u></u>

### **20. Share capital**

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
1,000 (2017 - 1,000) Ordinary share capital shares of £1.00 each	<u><u>1,000</u></u>	<u><u>1,000</u></u>



**Notes to the financial statements  
For the year ended 31 October 2018**

**21. Reserves**

**Profit and loss account**

Profit and loss accounts represent cumulative profits or losses net of other adjustments.

**Capital contributions**

Capital contribution represents amounts contributed to the company by the parent company

**22. Share based payments**

The company set up two share option schemes for the Directors of the company in 2017. The two schemes are called Performance Share Units (PSU) and Restricted Stock Units (RSU).

No PSU options were exercised during the year and there were no PSU options exercisable at the balance sheet date. 505 (2017: 505) PSU options were outstanding at the balance sheet date.

No RSU options were exercised during the year and there were no RSU options exercisable at the balance sheet date. 550 (2017: 550) RSU options were outstanding at the balance sheet date.

The value of the share options has been determined by the closing price at which the shares are traded on such date.

The total expense for the period was £Nil (2017: £8,588) and no liability (2017: £nil) is outstanding in respect of share-based payments at the balance sheet date.

**23. Pension commitments**

The Company operates a defined contributions 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 and amounted to £395,656 (2017: £403,886). Contributions totalling £62,030 (2017: £56,252) were payable to the fund at the balance sheet date and are included in creditors.

## ABM Technical Solutions Limited

### Notes to the financial statements For the year ended 31 October 2018

#### 24. Commitments under operating leases

At 31 October 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
<b>Land and Buildings</b>		
Not later than 1 year	180,464	192,376
Later than 1 year and not later than 5 years	626,592	650,113
Later than 5 years	52,216	313,296
	<u>859,272</u>	<u>1,155,785</u>
	2018 £	2017 £
<b>Other</b>		
Not later than 1 year	209,298	642,642
Later than 1 year and not later than 5 years	44,261	238,461
	<u>253,559</u>	<u>881,103</u>

#### 25. Controlling party

At 31 October 2018 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 the 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.