

Report of the Directors  
and  
Financial Statements for the Year Ended 31 July 2018  
For  
Weyco Services Limited  
  
Registered number 5868640



Weyco Services Limited

Financial Statements for the year ended 31 July 2018

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Weyco Services Limited

Company Information  
for the year ended 31 July 2018

**DIRECTORS:**

Mr Nigel Evans  
Mrs Jenny Stiling  
Mr Richard Noah  
Mr Ian Hollows – resigned 10 July 2018

**SECRETARY:**

Mrs Sue Ratcliffe

**REGISTERED OFFICE:**

Weymouth College  
Cranford Avenue  
Weymouth  
Dorset  
DT4 7LQ

**REGISTERED NUMBER:**

5868640 (England and Wales)

## Weyco Services Limited

### Report of the Directors for the year ended 31 July 2018

The directors presents their report with the financial statements of the Company for the year ended 31 July 2018.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company in the period under review was the provision of cleaning, grounds maintenance and catering services to Weymouth College and Redlands Community Sports Hub Limited. The Company also provides schools meals to six local Primary schools. The average number of people employed by the Company during the year, expressed as full time equivalents was 20 (2016/17: 21).

#### **DIRECTORS**

The following directors held office during the period from 1 August 2016 to the date of this report:

Mrs Jenny Stiling

Mr Nigel Evans

Mr Ian Hollows – resigned 10 July 2018

Mr Richard Noah

None of the directors who held office during the year had any interest in the shares of the Company.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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;
- 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.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Weyco Services Limited

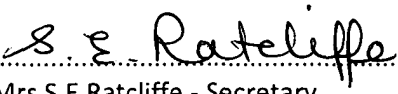
Report of the Directors  
for the year ended 31 July 2018 - continued

**AUDITORS**

The auditors, Moore Stephens, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
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Mrs S E Ratcliffe - Secretary

Date: 11/12/2018

## Weyco Services Limited

### Report of the Independent Auditors to the Members of Weyco Services Limited

#### **Opinion**

We have audited the financial statements of Weyco Services Limited (the 'company') for the year ended 31 July 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position and notes to the financial statements, 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 FRS 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 July 2018 and of its loss 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 Auditor's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit opinion.

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

We have nothing to report in respect of the following matters in 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 auditor's 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.

We have nothing to report in this regard.

### **Opinions 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 directors' report.

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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities Statement set out on pages 2 and 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.

### **Auditor's 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 auditor's 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 Councils website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## 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 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.



Mark Powell, *Senior Statutory Auditor*  
For and on behalf of Moore Stephens, Statutory Auditor  
30 Gay Street  
Bath  
Somerset  
BA1 2PA

11/12/2018



Weyco Services Limited

Statement of Comprehensive Income  
for the year ended 31 July 2018

		2018		2017	
	Notes	£	£	£	£
<b>TURNOVER</b>			834,067		906,946
Cost of sales			<u>(814,635)</u>		<u>(802,665)</u>
<b>GROSS PROFIT</b>			19,432		104,281
Administrative expenses			(123,477)		(103,148)
Exceptional expense	2		-		(75,718)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			(104,045)		(74,585)
Tax on profit on ordinary activities			<u>-</u>		<u>-</u>
<b>(LOSS)/PROFIT FOR THE YEAR ON ORDINARY ACTIVITIES AFTER TAXATION</b>			(104,045)		(74,585)
Actuarial gain (loss) in respect of the pension scheme	5		271,000		(85,000)
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR</b>			<u><b>166,955</b></u>		<u><b>(159,585)</b></u>

Statement of Financial Position  
as at 31 July 2018

		2018		2017	
	Notes	£	£	£	£
<b>CURRENT ASSETS</b>					
Stocks		9,846		10,457	
Debtors	3	65,815		36,510	
Cash at bank and in hand		<u>16,495</u>		<u>35,428</u>	
		92,156		82,395	
<b>CREDITORS</b>					
Amounts falling due within one year	4	<u>(155,123)</u>		<u>(93,316)</u>	
<b>NET CURRENT ASSETS</b>			<u>(62,967)</u>		<u>(10,921)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(62,967)		(10,921)
<b>PROVISIONS FOR LIABILITIES</b>					
Defined benefit obligations	6		<u>(299,000)</u>		<u>(518,000)</u>
<b>NET LIABILITIES</b>			<u>(361,967)</u>		<u>(528,921)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			100		100
Profit and loss account			(63,067)		(11,021)
Pension Reserve	6		<u>(299,000)</u>		<u>(518,000)</u>
<b>SHAREHOLDERS' DEFICIT</b>			<u>(361,967)</u>		<u>(528,921)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the directors on 11 December 2018 and were signed on their behalf by:



Director - RICHARD NOAH

**1. ACCOUNTING POLICIES**

Weyco Services Limited is a private Company, limited by shares, registered in England. The Company's registered number and registered office address can be found on the Company Information page.

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Related party exemption**

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Turnover**

Turnover represents net invoiced sales of goods, excluding recoverable value added tax.

**Stocks**

Stocks have been valued at the lower of cost and estimated selling price less costs to sell and after making due allowance for obsolete and slow moving items.

**Post-retirement benefits**

Retirement benefits to employees of the Company are provided by the Local Government Pension Scheme (LGPS), a defined benefit scheme, which is externally funded.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

#### **Going concern**

Weyco Services Limited is a wholly-owned subsidiary of Weymouth College. The College is in receipt of a loan from the Secretary Of State for Business, Innovation and Skills. This loan was initially £3,839,000, of which £1,820,000 has been repaid to date.

During the year the College requested, due to lower than expected cashflows, that the loan was rescheduled. In considering this request, the FE Commissioner team visited the College, endorsing the management and governing body's approach to the College's finances and the quality of provision at the College. The request to reschedule the loan was encompassed into an application to the Transaction Unit of the ESFA, under the Restructuring Fund regulations.

The application, which considered a medium term review of the College's financial prospects, requested that the loan repayment be deferred for a period of 3 years, with a subsequent repayment period of 10 years, thus enabling the College to generate a cash reserve and undertake investment in infrastructure and growth.

Whilst the College has not signed a new agreement with the ESFA which reflects this, it has been informed that this request will be approved. The Board therefore considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The College is committed to continue its work with the SFA and the Education Funding Agency as its financial position continues to improve and in doing so secure the long term sustainability of the College's provision.

Accordingly the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

The Board of Governors of Weymouth College intends to continue to provide financial support to its wholly owned subsidiary. The College has no intention to recall any amounts that Weyco Services Limited owes the College in excess of their ability to pay.

On this basis, Weyco Services Limited continues to adopt the going concern basis in preparing the financial statements.

Notes to the Financial Statements  
for the year ended 31 July 2018

**2. EXCEPTIONAL EXPENSE**

	<b>2018</b>	<b>2017</b>
	£	£
Forgiveness of debt owed to Weymouth College	0	100,000
Forgiveness of debt owed by Redlands Community Sports Hub Ltd	0	(175,718)
	<u>0</u>	<u>(75,718)</u>

In closing the 2016/17 annual accounts, the Directors of Weyco Services Limited agreed to forgive £175,718 of debts owed by Redlands Community Sports Hub, based on likely recoverability.

In closing the 2016/17 Weymouth College annual accounts, the Board of Governors agreed to forgive £100,000 worth of debt owed by Weyco Services Limited to Weymouth College. This reduced the amount owed by Weyco Services Limited to Weymouth College at the end of 2016/17 from £151,763 to £51,763.

**3. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2018</b>	<b>2017</b>
	£	£
Trade debtors	49,967	36,060
Amounts owed by group undertakings	15,595	-
Prepayments and accrued income	253	450
	<u>65,815</u>	<u>36,510</u>

**4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2018</b>	<b>2017</b>
	£	£
Trade creditors	47,528	18,534
Taxation and social security	7,279	7,663
Other creditors	-	1,460
Amounts owed to parent undertaking	86,874	51,763
Accruals	13,442	13,896
	<u>155,123</u>	<u>93,316</u>

Notes to the Financial Statements  
for the year ended 31 July 2018

5. **RELATED PARTY DISCLOSURES**

The Company is a wholly owned subsidiary of the Further Education Corporation of Weymouth College, the consolidated accounts of which are publicly available. Accordingly, the Company has taken advantage of the exemption in section 33 of FRS 102 from disclosing transactions with the parent undertaking.

The consolidated financial statements of the Further Education Corporation of Weymouth College, within which this Company is included, can be obtained from Sue Ratcliffe, Weymouth College, Cranford Avenue, Weymouth, DT4 7LQ.

6. **PENSION AND SIMILAR OBLIGATIONS**

The Company's employees belong to the Local Government Pension Scheme (LGPS), a defined benefit scheme with the assets held in separate trustee administered funds.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The following information is based upon the last full actuarial valuation of the fund at 31 March 2016, updated to 31 July 2018 by a qualified independent actuary.

	At 31 July 2018 % pa	At 31 July 2017 % pa
RPI increases	3.3%	3.6%
CPI increases	2.3%	2.7%
Salary increases	1.0%	4.2%
Pension increases	2.3%	2.7%
Discount rate	2.7%	2.7%
<b>Movement in deficit during year</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Deficit at beginning of the year</b>	<b>(518,000)</b>	<b>(398,000)</b>
Movement in year:		
Current service cost	(63,000)	(48,000)
Employer contributions	25,000	23,000
Net finance cost	(14,000)	(10,000)
Actuarial (gains)/losses	271,000	(85,000)
<b>Deficit at end of the year</b>	<b>(299,000)</b>	<b>(518,000)</b>

**PENSION AND SIMILAR OBLIGATIONS - continued**

**Asset and Liability Reconciliation**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Reconciliation of Liabilities</b>		
Opening defined benefit obligation	952,000	774,000
Current service costs	63,000	48,000
Interest cost	26,000	20,000
Actuarial (gains)/losses	(259,000)	102,000
Contributions by Scheme participants	9,000	8,000
<b>Liabilities at end of period</b>	<b>791,000</b>	<b>952,000</b>

**Reconciliation of Assets**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Opening fair value of Fund assets</b>	<b>434,000</b>	<b>376,000</b>
Interest on Fund assets	12,000	10,000
Return on assets less interest	12,000	49,000
Contributions from employer including unfunded	25,000	23,000
Actuarial loss	-	(32,000)
Contributions by Scheme participants	9,000	8,000
<b>Assets at end of period</b>	<b>492,000</b>	<b>434,000</b>