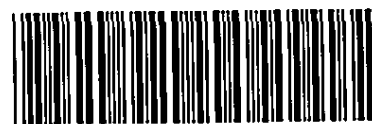


Company Registration No. 1027001 (England and Wales)

EUROPA FACILITY SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

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EUROPA FACILITY SERVICES LIMITED

COMPANY INFORMATION

Directors	M H Jones	
	D J Colbert	
	R Chadwick	
	K W Durling	
	D Pollock	(Appointed 1 May 2007)
Secretary	D J Colbert	
Company number	1027001	
Registered office	Gate House, Fretherne Road Welwyn Garden City Herts AL8 6RD	
Auditors	HLB Vantis Audit plc 66 Wigmore Street London W1U 2SB	
Bankers	National Westminster Bank Plc PO Box 399 40 Whitgift Centre Croydon Surrey CR9 3QB	

EUROPA FACILITY SERVICES LIMITED

CONTENTS

	Page
Directors' report	1 - 6
Independent auditors' report	7 - 8
Profit and loss account	9
Balance sheet	10
Cash flow statement	11
Notes to the cash flow statement	12
Notes to the financial statements	13 - 20

EUROPA FACILITY SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and financial statements for the year ended 31 December 2006

Principal activities and review of the business

The company is principally engaged in the provision of office and industrial cleaning and facilities management.

Europa Facility Services Limited is a rapidly growing facility services company based in Hertfordshire, operating on a national basis from Plymouth to Newcastle. Europa has positioned itself as a specialist in the shopping centre market and has prestigious contracts with owners and managing agents across the UK. Europa also has a significant office / corporate portfolio and is actively targeting new sectors. Europa has evolved over the past ten years from a single service provider to a company able to deliver a range of services or manage sub-contractors on behalf of a client.

The results for 2006 shows turnover has increased by 67% to £21.2million, and that pre tax profit has increased by 61% to £441k. Total assets are £739k (2005 - £497k) and net cash inflows in 2006 amounted to £918k up from £203k in 2005.

Business environment

The value of the facility management sector varies considerably depending of what criteria are used. Market and Business Development put the value of the sector in 2006 at £110bn (including in-house activities). The market increased during each of the four prior years with annual growth fluctuating between 4% and 6%.

This market can be further analysed between -

- Total Facilities Management - supplier takes full responsibility for the FM services and can outsource all or self deliver some
- Contracted out services - Individual services are contracted out, allowing the company to retain strategic control over the facilities management and budgeting. These services could encompass
 - Security - manned and CCTV
 - Cleaning
 - Catering
 - Landscaping and gardening
 - Building fabric maintenance
 - Lift and escalator maintenance
 - Lighting
 - Plant replacement
 - Energy management
 - Voice and data communication
 - Relocation
 - Space planning
 - M&E engineering
- In house services - services are undertaken by internal staff directly employed by the owner

EUROPA FACILITY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2006

Market value and structure

Type	2003	2004	2005	2006
Total Facilities Management (TFM)	7.1	7.6	8.0	8.4
Contracted Out	56.3	59.1	61.7	65.3
Internal	34.3	35.0	35.8	36.8
Total	97.8	101.7	105.5	110.6

Source: MBD 2007

The development of the market in the UK, as indeed the rest of Europe, is still at a relatively early stage and as such the sector has demonstrated relatively strong growth in recent years. There are clear signs that the market will continue to develop further in the medium term. The FM market place is served by a large number of competitors and is indeed quite polarised with large national providers on one end and small local businesses on the other. The market structure has evolved as a result of a number of external factors influencing companies providing these services with the most notable force being changing client demands.

Europa service offering

Today Europa is able to offer clients a suite of services:

- Single service i.e. either cleaning, security, front of house etc
- Bundled services i.e. cleaning and security / other services
- Facilities Management i.e. take responsibility for an entire property budget and manage the supply chain which could mean Europa could self deliver certain activities

As Europa has strengthened its position as a well respected niche provider, it has been approached by larger clients seeking innovative solutions to their property needs. Europa is able to offer a tailored process where through extensive client interviews and discussion, a tailored service package is created, combining Europa's service delivery strengths, FM capability and the client's unique needs.

Strategy

In September 2006 a consortium led by Billy Allan (appointed as non executive chairman) acquired a 49% stake in Europa, following which a strategic plan conducted from October to December laid out the strategy over the following 5 years:

- **Staff**
 - Aggressively recruit high calibre staff - senior and middle management
- **Clients**
 - To increase the size and complexity of the contracts / clients we take on
 - To target sectors we are currently not active in - Local authority, banking, specialist industry / manufacturing
- **Service Offering**
 - To develop a TFM arm capable of focusing solely on TFM contracts
 - Be able to deliver M&E maintenance in-house
- **Geographical coverage**
 - Increase our presence in the NW and London
- **Financial**
 - Achieve a turnover in excess of £110m by 2011
 - Increase EBIT % to 6%

EUROPA FACILITY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2006

A people based company

Europa currently employs over 1,500 staff members. Given that these people are in fact the face of Europa, great care has always been taken to retain the unique culture that has been created over the past 35 years. Europa has always held the view that the strength and quality of service provided by the company is intrinsically linked to the quality and personal attributes of the staff directly employed and / or controlled by us. Careful selection criteria are employed to ensure the calibre of people employed continue to ensure our high expectation levels and commitment to our clients.

During 2005 and 2006 we developed a staff program called QST - "Quality, Satisfaction and Transparency". This program empowers and encourages our people to take part in understanding the values of Europa and how continuous improvement and quality is built into everyday activities.

Quality systems

Europa has sought to differentiate itself in terms of the quality of service offered to clients. In essence one of our stated aims is to become the "Supplier of Choice". This can only be achieved through a dedicated focus on the quality of services we offer. This in turn can only be achieved if there are detailed planning and measurement systems in place. To achieve this Europa has established and maintains a quality assurance system that conforms to the requirements of BS EN ISO 9001:2000, to which we were first accredited in 1995. The new standard was adopted in 2001.

Our ethos of being "customer focused" seeks feedback through key performance measurements, checklists, client liaison meetings, management review meetings and a regular dialogue with staff on the ground.

Europa has developed bespoke audit processes that provide a mechanism for measuring service levels in a number of activities across a broad range of criteria. This allows for clinical evaluation of service levels and forms a key part of the monthly client liaison meeting.

Future outlook

Europa operates in a market currently estimated at £110 billion and growing at the rate of 6% p.a. There are no dominant players in this market and it is characterised by a range of companies from large FMs to small local cleaning companies. There is therefore a great opportunity to grow within this industry.

Whilst we recognise that we do operate in a competitive market, we are confident that we will meet our growth targets, by distinguishing ourselves from our competitors. We will continue to offer our customers innovative solutions, based on the quality of both our staff and our systems.

Our forward order book for 2007 shows turnover will reach at least £28 million a growth of almost 30%.

EUROPA FACILITY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2006

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key risks are set out below. These risks are formally reviewed by the board of directors on a regular basis and appropriate actions put in place to monitor and mitigate them.

- **Client base**
The company's major contracts are with a small number of customers and the loss of any one of them would have an impact on results. However Europa has an enviable record for contract retention based on its quality values. The growth strategy is now based on expanding its client base to remedy this over reliance.
- **Market**
Over 60% of Europa business is in the retail sector which typically is very competitive and operates on lower margins. Europa strategy is to move into other sectors e.g. Facility Management, Offices, and Local Government and achieve a more balanced portfolio, both in terms of margin and larger contract size.
- **Employees**
Maintaining our reputation for delivering quality services relies on our ability to attract, recruit and train staff of the highest calibre. The company is now building its HR and Training departments to ensure we achieve this objective. In 2007, we will spend the equivalent of 15% of our net profits on staff training. One of our core values is to be the "employer of choice".

Key performance Indicators

Indicator	2006	2005	2004	Notes
Sales £000	21,163	12,672	10,722	2006 includes 9 months of a major contract worth £60million over 5 years.
% Growth	67.0	18.2	18.9	
Profit Before Tax £000	441	273	207	In 2006 Europa invested in its infrastructure to build for growth.
% Sales	2.1	2.2	1.9	
Net Assets £000	739	497	401	Reflects growth
Return on Capital (being PBT / Net Assets)	59.7%	54.9%	51.6%	Continues to rise in line with the plan

Results and dividends

The results for the year are set out on page 9.

During the year the company declared a final dividend of £90,000.

EUROPA FACILITY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2006

Financial instruments

The company's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the company makes use of money market facilities when funds are available.

Trade debtors are managed in respect of credit and cash flow risk by application of policies regarding the credit offered to customers, and the regular monitoring of amounts outstanding with reference to time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts falling due at the appropriate time.

Directors and their interests

The following directors have held office since 1 January 2006

M H Jones

P M Hargraves

(Resigned 26 September 2006)

D J Colbert

R Chadwick

K W Durling

D Pollock

(Appointed 1 May 2007)

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that HLB Vantis Audit plc be reappointed as auditors of the company will be put to the Annual General Meeting.

EUROPA FACILITY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2006

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 proper accounting records that 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 1985. 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 of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

M H Jones

Director

29/10/07

EUROPA FACILITY SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF EUROPA FACILITY SERVICES LIMITED

We have audited the financial statements of Europa Facility Services Limited for the year ended 31 December 2006 set out on pages 9 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

EUROPA FACILITY SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF EUROPA FACILITY SERVICES LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

HLB Vantis Audit plc

HLB Vantis Audit plc

31/10/07

Chartered Accountants

Registered Auditor



66 Wigmore Street
London
W1U 2SB

EUROPA FACILITY SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Turnover	2	21,162,823	12,672,157
Cost of sales		(18,240,367)	(10,488,110)
Gross profit		2,922,456	2,184,047
Distribution costs		(94,602)	(75,423)
Administrative expenses		(2,416,337)	(1,836,512)
Operating profit	3	411,517	272,112
Other interest receivable and similar income	4	47,394	10,273
Interest payable and similar charges	5	(17,688)	(8,960)
Profit on ordinary activities before taxation		441,223	273,425
Tax on profit on ordinary activities	6	(109,132)	(77,287)
Profit for the year		332,091	196,138

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

EUROPA FACILITY SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	8		566,491		216,549
Current assets					
Debtors	9	3,240,878		2,406,396	
Cash at bank and in hand		1,482,973		565,097	
		<u>4,723,851</u>		<u>2,971,493</u>	
Creditors: amounts falling due within one year	10	<u>(4,346,045)</u>		<u>(2,675,171)</u>	
Net current assets			377,806		296,322
Total assets less current liabilities			<u>944,297</u>		<u>512,871</u>
Creditors: amounts falling due after more than one year	11		<u>(205,144)</u>		<u>(15,809)</u>
			<u>739,153</u>		<u>497,062</u>
Capital and reserves					
Called up share capital	13		4,400		4,400
Profit and loss account			734,753		492,662
Shareholders' funds	15		<u>739,153</u>		<u>497,062</u>

Approved by the Board and authorised for issue on



B J Colbert
Director

29/10/07



M H Jones
Director

EUROPA FACILITY SERVICES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

	£	2006 £	£	2005 £
Net cash inflow from operating activities		1,220,414		541,632
Returns on investments and servicing of finance				
Interest received	47,394		10,273	
Interest paid	(17,688)		(8,960)	
Net cash inflow for returns on investments and servicing of finance		29,706		1,313
Taxation		(80,157)		(60,749)
Capital expenditure				
Payments to acquire tangible assets	(170,787)		(148,881)	
Receipts from sales of tangible assets	2,088		-	
Net cash outflow for capital expenditure		(168,701)		(148,881)
Equity dividends paid		-		(100,000)
Net cash inflow before management of liquid resources and financing		1,001,262		233,315
Financing				
Capital element of hire purchase contracts	(83,386)		(30,688)	
Net cash outflow from financing		(83,386)		(30,688)
Increase in cash in the year		917,876		202,627

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

1	Reconciliation of operating profit to net cash inflow from operating activities	2006	2005		
		£	£		
	Operating profit	411,517	272,112		
	Depreciation of tangible assets	206,734	128,531		
	Loss on disposal of tangible assets	261	-		
	Increase in debtors	(832,605)	(235,705)		
	Increase in creditors within one year	1,434,507	376,694		
	Net cash inflow from operating activities	1,220,414	541,632		
2	Analysis of net funds	1 January 2006	Cash flow	Other non-cash changes	31 December 2006
		£	£	£	£
	Net cash.				
	Cash at bank and in hand	565,097	917,876	-	1,482,973
	Bank deposits	-	-	-	-
	Debt.				
	Finance leases	(44,554)	83,389	(388,239)	(349,404)
	Net funds	520,543	1,001,265	(388,239)	1,133,569
3	Reconciliation of net cash flow to movement in net funds	2006	2005		
		£	£		
	Increase in cash in the year	917,876	202,627		
	Cash outflow from decrease in debt and lease financing	83,389	30,688		
	Change in net debt resulting from cash flows	1,001,265	233,315		
	New finance lease	(388,239)	(39,988)		
	Movement in net funds in the year	613,026	193,327		
	Opening net funds	520,543	327,216		
	Closing net funds	1,133,569	520,543		

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	20% per annum
Plant and machinery	rates varying from 20% - 33% per annum
Motor vehicles	25% per annum

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2006	2005
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	206,734	128,531
Loss on disposal of tangible assets	261	-
Operating lease rentals		
- Plant and machinery	33,980	28,421
- Other assets	112,483	78,805
Auditors' remuneration	10,501	8,700

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

4	Other interest receivable and similar income	2006	2005
		£	£
	Bank interest	47,394	10,273
		<u> </u>	<u> </u>
5	Interest payable	2006	2005
		£	£
	On bank loans and overdrafts	4,067	4,110
	Hire purchase interest	13,621	4,850
		<u> </u>	<u> </u>
		17,688	8,960
		<u> </u>	<u> </u>
6	Taxation	2006	2005
		£	£
	Domestic current year tax		
	U K corporation tax	108,390	77,538
	Adjustment for prior years	742	(251)
		<u> </u>	<u> </u>
	Current tax charge	109,132	77,287
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	441,223	273,425
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	132,367	82,028
		<u> </u>	<u> </u>
	Effects of		
	Non deductible expenses	9,317	5,235
	Depreciation add back	62,020	38,559
	Capital allowances	(85,523)	(35,901)
	Adjustments to previous periods	742	(251)
	Marginal relief	(9,791)	(12,383)
		<u> </u>	<u> </u>
		(23,235)	(4,741)
		<u> </u>	<u> </u>
	Current tax charge	109,132	77,287
		<u> </u>	<u> </u>

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

7	Dividends	2006 £	2005 £
	Ordinary interim paid	-	100,000
	Ordinary final payable	90,000	-
		<hr/>	<hr/>
		90,000	100,000
		<hr/>	<hr/>

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

8 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2006	15,651	516,145	58,681	590,477
Additions	-	532,328	26,695	559,023
Disposals	-	(14,009)	(4,617)	(18,626)
At 31 December 2006	15,651	1,034,464	80,759	1,130,874
Depreciation				
At 1 January 2006	7,472	312,763	53,693	373,928
Depreciation eliminated on disposal	-	(11,662)	(4,617)	(16,279)
Charge for the year	3,799	197,056	5,879	206,734
At 31 December 2006	11,271	498,157	54,955	564,383
Net book value				
At 31 December 2006	4,380	536,307	25,804	566,491
At 31 December 2005	8,179	203,382	4,988	216,549

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 31 December 2006	347,622	21,650	369,272
At 31 December 2005	47,279	-	47,279
Depreciation charge for the year			
At 31 December 2006	108,533	850	109,383
At 31 December 2005	36,144	-	36,144

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

9 Debtors	2006	2005
	£	£
Trade debtors	2,952,110	2,241,570
Amounts owed by parent and fellow subsidiary undertakings	-	2,652
Corporation tax	1,877	-
Other debtors	260,014	157,789
Prepayments and accrued income	26,877	4,385
	<u>3,240,878</u>	<u>2,406,396</u>
10 Creditors: amounts falling due within one year	2006	2005
	£	£
Net obligations under hire purchase contracts	144,260	28,745
Trade creditors	1,796,815	1,377,979
Amounts owed to parent and fellow subsidiary undertakings	81,194	-
Corporation tax	108,390	77,538
Other taxes and social security costs	820,772	558,985
Other creditors	510,511	377,785
Accruals and deferred income	884,103	254,139
	<u>4,346,045</u>	<u>2,675,171</u>
11 Creditors: amounts falling due after more than one year	2006	2005
	£	£
Net obligations under hire purchase contracts	<u>205,144</u>	<u>15,809</u>
Net obligations under hire purchase contracts		
Repayable within one year	162,994	33,134
Repayable between one and five years	228,796	18,099
	391,790	51,233
Finance charges and interest allocated to future accounting periods	(42,386)	(6,679)
	349,404	44,554
Included in liabilities falling due within one year	(144,260)	(28,745)
	<u>205,144</u>	<u>15,809</u>

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

12 Pension costs

Defined contribution

	2006 £	2005 £
Contributions payable by the company for the year	103,861	6,161

13 Share capital

	2006 £	2005 £
Authorised		
250,000 Ordinary shares of £1 each	250,000	250,000
Allotted, called up and fully paid		
4,400 Ordinary shares of £1 each	4,400	4,400

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2006	492,662
Profit for the year	332,091
Dividends	(90,000)
Balance at 31 December 2006	734,753

15 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial year	332,091	196,138
Dividends	(90,000)	(100,000)
Net addition to shareholders' funds	242,091	96,138
Opening shareholders' funds	497,062	400,924
Closing shareholders' funds	739,153	497,062

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

16 Financial commitments

At 31 December 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2007

	Land and buildings			Other
	2006	2005	2006	2005
	£	£	£	£
Operating leases which expire				
Within one year	53,166	1,333	36,342	25,843
Between two and five years	55,689	102,445	14,600	69,735
	<u>108,855</u>	<u>103,778</u>	<u>50,942</u>	<u>95,578</u>

17 Transactions with directors

The following directors had overdrawn interest free loans during the year. The movement on these loans are as follows

	Amount outstanding		Maximum
	2006	2005	in year
	£	£	£
MH Jones	11,846	7,314	11,846
PM Hargraves	-	706	1,229

Included within other debtors is a rent deposit of £50,000 held by M H Jones and Mrs L Jones. This was paid when the director and his wife acquired the leasehold of a property occupied by Europa Facility Services Limited. The rent payable in respect of this property is £16,000 per annum.

At the balance sheet date the company was owed £913 (2005: £2,713) by Mrs L Jones, wife of the director M H Jones. The balance is included within other debtors.

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

18 Employees

Number of employees

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

	2006 Number	2005 Number
Direct labour	986	581
Administrative staff	33	30
	<u>1,019</u>	<u>611</u>

Employment costs

	2006 £	2005 £
Wages and salaries	12,311,824	6,609,418
Social security costs	980,825	518,500
Other pension costs	103,861	6,161
	<u>13,396,510</u>	<u>7,134,079</u>

19 Control

The immediate and ultimate parent undertaking is Europa Facility Holdings Limited, a company registered in England and Wales

The ultimate controlling party is M H Jones, a director

20 Related party transactions

During the year there were management charges of £490,000 (2005 £380,000) payable to Europa Facility Holdings Limited, the ultimate parent company. At the balance sheet date the company owed £81,194 (2005 £2,652 debtor) to Europa Facility Holdings Limited.