

Company Registration No 1027001 (England and Wales)

EUROPA FACILITY SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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EUROPA FACILITY SERVICES LIMITED

COMPANY INFORMATION

Directors	M H Jones R Chadwick K W Durling D Pollock (Appointed 1 May 2007)
Secretary	D J Colbert
Company number	1027001
Registered office	Rosanne House, Parkway Welwyn Garden City Herts AL8 6HG
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

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EUROPA FACILITY SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the year ended 31 December 2007

Principal activities and review of the business

Europa Facility Services Limited ("Europa") is principally engaged in the provision of Total Facilities Management as well as the delivery of cleaning, security, front of house and waste management services

Europa is a rapidly growing facility services company based in Hertfordshire, operating on a national basis from Brighton to Aberdeen. 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 of 2007 shows turnover has increased by 28% to £27million, and that pre tax profit has increased by 71% to £753k. Total assets are £995k (2006 £739k) and net cash inflows in 2007 amounted to £304k (down from £918k in 2006).

Business environment

The value of the facility management sector varies considerably depending on 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%. Europa estimate the market as at the end of 2007 to be worth over £115bn and has grown in line with recent yearly growth.

This market can be further analysed between -

- Total Facilities Management ("TFM") - supplier takes full responsibility for the facilities management ("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 2007

Market value and structure

Type	2003	2004	2005	2006
	£'m	£'m	£'m	£'m
Total Facilities Management	7 10	7 60	8 00	8 40
Contracted out services	56 30	59 10	61 70	65 30
In house services	34 30	35 00	35 80	36 80
Total	97 80	101.70	105.50	110.60

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

Europa is able to offer clients the following suite of services:

- Single service (ie either cleaning, security, front of house etc)
- Bundled services (ie cleaning and security / other services)
- Facilities Management (ie taking responsibility for an entire property budget and managing 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.

A people based company

Europa currently employs over 1400 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.

EUROPA FACILITY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

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.

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 2006 to December 2006 laid out the strategy over the following 5 years.

- **Staff**
 - Aggressively recruit high caliber staff - senior and middle management
- **Clients**
 - Increase the size and complexity of the contracts / clients taken on
 - Target sectors not currently active in - local authority, banking, specialist industry / manufacturing
- **Service offering**
 - Develop a TFM arm capable of focusing solely on TFM contracts
 - Deliver M&E maintenance in-house
- **Geographical coverage**
 - Increase presence in the North West UK and London
- **Financial**
 - Achieve turnover in excess of £110m by 2011
 - Increase EBIT % to 6%

Having successfully improved the operational performance during the first half of 2007, the emphasis shifted towards future growth and positioning. A strategic 'acquisition' would enable Europa to quickly increase its service offering & client base. During the latter half of 2007 Europa identified UUFM, the in house Facilities Management arm of United Utilities plc as a good strategic acquisition and obtained exclusivity to that end in August 2007. UUFM was acquired in February 2008 resulting in an additional £30m of turnover as well as additional clients in the utility and Local Authority sector.

Future outlook

Europa operates in a market currently estimated at £115billion and growing at the rate of circa 5% 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 2008 is strong and the UUFM acquisition will drive additional growth opportunities.

EUROPA FACILITY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

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. The acquisition of UUFM has lessened the risk on client reliance.

- **Market**

Over 40% of Europa's business is in the retail sector which typically is very competitive and operates on lower margins. Europa's strategy is to move into other sectors e.g. Industrial 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 2008 we will spend the equivalent of 4% of our net profits on staff training. One of our core values is to be the "employer of choice".

Key performance indicators

Indicator	2004	2005	2006	2007	Notes
Sales £000	10,722	12,672	21,163	27,032	Strong organic growth
% Growth	18.9	18.2	67.0	27.7	
Profit Before Tax £000	207	273	441	753	Margin improvement
% Sales	1.9	2.2	2.1	2.8	through scale benefits
Net Assets £000	401	497	739	995	
Return on Capital (being PBT / Net Assets)	51.60%	54.90%	59.70%	75.70%	

Results and dividends

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

During the year the company declared a final dividend of £250,000.

EUROPA FACILITY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

Financial instruments

The company's principal financial instruments comprise bank balances, finance lease agreements, 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.

The company is a lessee in respect of finance leased assets and ensures there are sufficient funds to meet payments.

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

The following directors have held office since 1 January 2007.

M H Jones

D J Colbert

R Chadwick

K W Durling

D Pollock

(Resigned 24 June 2008)

(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 2007

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

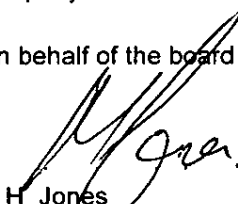
- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

15/10/08

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 2007 set out on pages 9 to 19. 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 2007 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

24/10/08

Chartered Accountants

Registered Auditor

66 Wigmore Street

London

W1U 2SB



EUROPA FACILITY SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Turnover	2	27,032,205	21,162,823
Cost of sales		(23,244,963)	(18,240,367)
Gross profit		3,787,242	2,922,456
Distribution costs		(92,997)	(94,602)
Administrative expenses		(3,003,927)	(2,416,337)
Operating profit	3	690,318	411,517
Other interest receivable and similar income	4	86,167	47,394
Interest payable and similar charges	5	(23,223)	(17,688)
Profit on ordinary activities before taxation		753,262	441,223
Tax on profit on ordinary activities	6	(247,000)	(109,132)
Profit for the year		506,262	332,091

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 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	8	634,799		566,491	
Current assets					
Debtors	9	3,577,588		3,240,878	
Cash at bank and in hand		1,786,693		1,482,973	
		<u>5,364,281</u>		<u>4,723,851</u>	
Creditors: amounts falling due within one year	10	<u>(4,832,536)</u>		<u>(4,346,045)</u>	
Net current assets		531,745		377,806	
Total assets less current liabilities		1,166,544		944,297	
Creditors: amounts falling due after more than one year	11	<u>(171,129)</u>		<u>(205,144)</u>	
		<u>995,415</u>		<u>739,153</u>	
Capital and reserves					
Called up share capital	13	4,400		4,400	
Profit and loss account		991,015		734,753	
Shareholders' funds	15	<u>995,415</u>		<u>739,153</u>	

Approved by the Board and authorised for issue on

15/10/08

M H Jones
Director

David Pollock
D Pollock
Director

EUROPA FACILITY SERVICES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

	£	2007 £	£	2006 £
Net cash inflow from operating activities		728,253		1,220,414
Returns on investments and servicing of finance				
Interest received	86,167		47,394	
Interest paid	(23,223)		(17,688)	
Net cash inflow for returns on investments and servicing of finance		62,944		29,706
Taxation		(108,390)		(80,157)
Capital expenditure				
Payments to acquire tangible assets	(194,632)		(170,787)	
Receipts from sales of tangible assets	8,988		2,086	
Net cash outflow for capital expenditure		(185,644)		(168,701)
Net cash inflow before management of liquid resources and financing		497,163		1,001,262
Financing				
Capital element of hire purchase contracts	(193,443)		(83,386)	
Net cash outflow from financing		(193,443)		(83,386)
Increase in cash in the year		303,720		917,876

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

1	Reconciliation of operating profit to net cash inflow from operating activities	2007		2006	
		£		£	
	Operating profit	690,318		411,517	
	Depreciation of tangible assets	324,538		206,734	
	(Profit)/loss on disposal of tangible assets	(2,927)		261	
	Increase in debtors	(336,710)		(832,605)	
	Increase in creditors within one year	53,034		1,434,507	
	Net cash inflow from operating activities	728,253		1,220,414	
2	Analysis of net funds	1 January 2007		31 December 2007	
		£		£	
	Net cash				
	Cash at bank and in hand	1,482,973	303,720	-	1,786,693
	Bank deposits	-	-	-	-
	Debt				
	Finance leases	(349,404)	193,442	(204,274)	(360,236)
	Net funds	1,133,569	497,162	(204,274)	1,426,457
3	Reconciliation of net cash flow to movement in net funds	2007		2006	
		£		£	
	Increase in cash in the year	303,720		917,876	
	Cash outflow from decrease in debt and lease financing	193,442		83,389	
	Change in net debt resulting from cash flows	497,162		1,001,265	
	New finance lease	(204,274)		(388,239)	
	Movement in net funds in the year	292,888		613,026	
	Opening net funds	1,133,569		520,543	
	Closing net funds	1,426,457		1,133,569	

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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	2007 £	2006 £
Operating profit is stated after charging		
Depreciation of tangible assets	324,538	206,734
Loss on disposal of tangible assets	-	261
Operating lease rentals		
- Plant and machinery	38,547	33,980
- Other assets	136,680	112,483
Auditors' remuneration	27,421	10,501
and after crediting		
Profit on disposal of tangible assets	(2,927)	-

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

4	Other interest receivable and similar income	2007	2006
		£	£
	Bank interest	86,167	47,394
		<u> </u>	<u> </u>
5	Interest payable	2007	2006
		£	£
	On bank loans and overdrafts	1,721	4,067
	Hire purchase interest	21,502	13,621
		<u> </u>	<u> </u>
		23,223	17,688
		<u> </u>	<u> </u>
6	Taxation	2007	2006
		£	£
	Domestic current year tax		
	U K corporation tax	247,000	108,390
	Adjustment for prior years	-	742
		<u> </u>	<u> </u>
	Current tax charge	247,000	109,132
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	753,262	441,223
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	225,979	132,367
		<u> </u>	<u> </u>
	Effects of		
	Non deductible expenses	10,029	9,317
	Depreciation add back	97,361	62,020
	Capital allowances	(86,369)	(85,523)
	Adjustments to previous periods	-	742
	Marginal relief	-	(9,791)
		<u> </u>	<u> </u>
		21,021	(23,235)
		<u> </u>	<u> </u>
	Current tax charge	247,000	109,132
		<u> </u>	<u> </u>

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

7	Dividends	2007 £	2006 £
	Ordinary interim paid	250,000	90,000

8	Tangible fixed assets	Land and buildings Leasehold £	Plant and machinery £	Motor vehicles £	Total £
	Cost				
	At 1 January 2007	15,651	1,034,464	80,759	1,130,874
	Additions	-	398,907	-	398,907
	Disposals	-	(63,646)	(48,872)	(112,518)
	At 31 December 2007	15,651	1,369,725	31,887	1,417,263
	Depreciation				
	At 1 January 2007	11,271	498,157	54,955	564,383
	Depreciation eliminated on disposal	-	(58,219)	(48,238)	(106,457)
	Charge for the year	1,777	312,611	10,150	324,538
	At 31 December 2007	13,048	752,549	16,867	782,464
	Net book value				
	At 31 December 2007	2,603	617,176	15,020	634,799
	At 31 December 2006	4,380	536,307	25,804	566,491

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 2007	352,657	13,125	365,782
At 31 December 2006	347,622	21,650	369,272
Depreciation charge for the year			
At 31 December 2007	191,282	8,525	199,807
At 31 December 2006	108,533	850	109,383

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

9 Debtors	2007	2006
	£	£
Trade debtors	3,403,953	2,952,110
Corporation tax	1,877	1,877
Other debtors	78,957	260,014
Prepayments and accrued income	92,801	26,877
	<u>3,577,588</u>	<u>3,240,878</u>
10 Creditors, amounts falling due within one year	2007	2006
	£	£
Net obligations under hire purchase contracts	189,107	144,260
Trade creditors	1,759,411	1,796,815
Amounts owed to parent company	10,090	81,194
Corporation tax	247,000	108,390
Other taxes and social security costs	1,106,146	820,772
Other creditors	594,404	510,511
Accruals and deferred income	926,378	884,103
	<u>4,832,536</u>	<u>4,346,045</u>
11 Creditors, amounts falling due after more than one year	2007	2006
	£	£
Net obligations under hire purchase contracts	<u>171,129</u>	<u>205,144</u>
Net obligations under hire purchase contracts		
Repayable within one year	212,588	162,994
Repayable between one and five years	189,927	228,796
	<u>402,515</u>	<u>391,790</u>
Finance charges and interest allocated to future accounting periods	(42,279)	(42,386)
	<u>360,236</u>	<u>349,404</u>
Included in liabilities falling due within one year	(189,107)	(144,260)
	<u>171,129</u>	<u>205,144</u>

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

12 Pension and other post-retirement benefit commitments

Defined contribution

	2007 £	2006 £
Contributions payable by the company for the year	179,512	103,861

13 Share capital

	2007 £	2006 £
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 2007	734,753
Profit for the year	506,262
Dividends	(250,000)
Balance at 31 December 2007	991,015

15 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the financial year	506,262	332,091
Dividends	(250,000)	(90,000)
Net addition to shareholders' funds	256,262	242,091
Opening shareholders' funds	739,153	497,062
Closing shareholders' funds	995,415	739,153

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

16 Financial commitments

At 31 December 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2008

	Land and buildings		Other	
	2007	2006	2007	2006
	£	£	£	£
Operating leases which expire				
Within one year	25,320	53,166	11,186	36,342
Between two and five years	98,313	55,689	3,828	14,600
	<u>123,633</u>	<u>108,855</u>	<u>15,014</u>	<u>50,942</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
	2007	2006	in year
	£	£	£
MH Jones	<u>12,318</u>	<u>11,846</u>	<u>12,318</u>

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 £nil (2006 £913) 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 2007

18 Employees

Number of employees

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

	2007 Number	2006 Number
Direct labour	1,192	986
Administrative staff	43	33
	<u>1,235</u>	<u>1,019</u>

Employment costs

	2007 £	2006 £
Wages and salaries	16,685,938	12,311,824
Social security costs	1,348,599	980,825
Other pension costs	179,512	103,861
	<u>18,214,049</u>	<u>13,396,510</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 £375,000 (2006 £490,000) payable to Europa Facility Holdings Limited, the ultimate parent company. At the balance sheet date the company owed £10,090 (2006 £81,194) to Europa Facility Holdings Limited.

Consultancy fees of £58,397 (2006 £nil) payable to Ronin One LLP, a 49% shareholder in Europa Facility Holdings Limited. At the balance sheet date the company owed £2,039 (2006 £nil) to Ronin One LLP.

Sales during the year for £329,137 (2006 £nil) receivable from Origin Retail Property Services Limited, a joint venture disposed of at the year end.