

Company Registration No. 1027001 (England and Wales)

EUROPA FACILITY SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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EUROPA FACILITY SERVICES LIMITED

COMPANY INFORMATION

Directors	M H Jones	
	R Muldoon	(Appointed 17 December 2008)
	D Pollock	
	G Brown	(Appointed 17 December 2008)
Secretary	R Muldoon	
Company number	1027001	
Registered office	Rosanne House, Parkway Welwyn Garden City Hertfordshire 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 2008

The directors present their report and financial statements for the year ended 31 December 2008.

Directors

The following directors have held office since 1 January 2008:

M H Jones	
D J Colbert	(Resigned 24 June 2008)
R Chadwick	(Resigned 11 November 2008)
K W Durling	(Resigned 17 December 2008)
R Muldoon	(Appointed 17 December 2008)
D Pollock	
G Brown	(Appointed 17 December 2008)

Principal activities and review of the business

Europa Facility Services Limited 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 to corporate and retail sectors.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of key risks 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 - reliance on a small number of customers.

Employees - attract, recruit and retain high calibre staff.

Future outlook

The future outlook is positive. We expect to meet our growth targets, offer innovative solutions based on the quality of both staff and systems and successfully operate in a competitive market.

Key performance indicators

The directors consider the following key performance indicators:

Sales £24.8m (2007 : £27.0m)

Profit before tax £0.224m (2007 : £0.75m)

Net assets £1.1m (2007 : £1.0m)

Results and dividends

The results for the year are set out on page 6.

No dividends were paid during the year.

EUROPA FACILITY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

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.

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.

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.

EUROPA FACILITY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

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



G Brown

Director

31 March 2009

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 2008 set out on pages 6 to 15. 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 2008 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 March 2009

Chartered Accountants
Registered Auditor

66 Wigmore Street
London
W1U 2SB



EUROPA FACILITY SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Turnover	2	24,818,592	27,032,205
Cost of sales		(21,301,631)	(23,244,963)
Gross profit		3,516,961	3,787,242
Distribution costs		(85,017)	(92,997)
Administrative expenses		(3,216,828)	(3,003,927)
Operating profit	3	215,116	690,318
Other interest receivable and similar income	4	39,673	86,167
Interest payable and similar charges	5	(31,053)	(23,223)
Profit on ordinary activities before taxation		223,736	753,262
Tax on profit on ordinary activities	6	(117,687)	(247,000)
Profit for the year	14	106,049	506,262

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 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	8		433,408		634,799
Current assets					
Debtors	9	3,837,359		3,577,588	
Cash at bank and in hand		788,687		1,786,693	
		<u>4,626,046</u>		<u>5,364,281</u>	
Creditors: amounts falling due within one year	10	<u>(3,909,826)</u>		<u>(4,832,536)</u>	
Net current assets			716,220		531,745
Total assets less current liabilities			1,149,628		1,166,544
Creditors: amounts falling due after more than one year	11		<u>(48,164)</u>		<u>(171,129)</u>
			<u>1,101,464</u>		<u>995,415</u>
Capital and reserves					
Called up share capital	13		4,400		4,400
Profit and loss account	14		<u>1,097,064</u>		<u>991,015</u>
Shareholders' funds	15		<u>1,101,464</u>		<u>995,415</u>

Approved by the Board and authorised for issue on 31 March 2009



G Brown
Director

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

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% straight line basis
Plant and machinery	rates varying from 20% - 33% straight line basis
Motor vehicles	25% straight line basis

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.

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

3	Operating profit	2008	2007
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	341,029	324,538
	Loss on disposal of tangible assets	3,496	-
	Operating lease rentals		
	- Plant and machinery	33,448	38,547
	- Other assets	106,974	136,680
	Auditors' remuneration (including expenses and benefits in kind)	17,560	27,421
	and after crediting:		
	Profit on disposal of tangible assets	-	(2,927)
		<u> </u>	<u> </u>
4	Investment income	2008	2007
		£	£
	Bank interest	39,673	86,167
		<u> </u>	<u> </u>
		39,673	86,167
		<u> </u>	<u> </u>
5	Interest payable	2008	2007
		£	£
	On bank loans and overdrafts	7,235	1,721
	Hire purchase interest	23,818	21,502
		<u> </u>	<u> </u>
		31,053	23,223
		<u> </u>	<u> </u>

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

6	Taxation	2008	2007
		£	£
	Domestic current year tax		
	U.K. corporation tax	117,687	247,000
	Current tax charge	<u>117,687</u>	<u>247,000</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>223,736</u>	<u>753,262</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2007 - 30.00%)	<u>62,646</u>	<u>225,979</u>
	Effects of:		
	Non deductible expenses	12,414	10,029
	Depreciation add back	95,488	97,361
	Capital allowances	(53,364)	(86,369)
	Change in tax rate	2,082	-
	Small company relief	(1,579)	-
		<u>55,041</u>	<u>21,021</u>
	Current tax charge	<u>117,687</u>	<u>247,000</u>
7	Dividends	2008	2007
		£	£
	Ordinary final paid	<u>-</u>	<u>250,000</u>

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

8 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2008	15,651	1,369,725	31,887	1,417,263
Additions	8,493	220,493	-	228,986
Disposals	-	(254,433)	-	(254,433)
At 31 December 2008	24,144	1,335,785	31,887	1,391,816
Depreciation				
At 1 January 2008	13,048	752,549	16,867	782,464
On disposals	-	(165,085)	-	(165,085)
Charge for the year	2,598	329,431	9,000	341,029
At 31 December 2008	15,646	916,895	25,867	958,408
Net book value				
At 31 December 2008	8,498	418,890	6,020	433,408
At 31 December 2007	2,603	617,176	15,020	634,799

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 2008	117,872	5,625	123,497
At 31 December 2007	352,657	13,125	365,782
Depreciation charge for the year			
At 31 December 2008	155,949	7,500	163,449
At 31 December 2007	191,282	8,525	199,807

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

9 Debtors	2008	2007
	£	£
Trade debtors	2,221,087	3,403,953
Amounts owed by parent and fellow subsidiary undertakings	1,397,599	-
Other debtors	100,505	80,834
Prepayments and accrued income	118,168	92,801
	<u>3,837,359</u>	<u>3,577,588</u>
10 Creditors: amounts falling due within one year	2008	2007
	£	£
Net obligations under hire purchase contracts	109,030	189,107
Trade creditors	1,117,473	1,759,411
Amounts owed to parent and fellow subsidiary undertakings	-	10,090
Corporation tax	117,525	247,000
Other taxes and social security costs	827,932	1,106,146
Other creditors	628,887	594,404
Accruals and deferred income	1,108,979	926,378
	<u>3,909,826</u>	<u>4,832,536</u>
11 Creditors: amounts falling due after more than one year	2008	2007
	£	£
Net obligations under hire purchase contracts	<u>48,164</u>	<u>171,129</u>
Net obligations under hire purchase contracts		
Repayable within one year	121,666	212,588
Repayable between one and five years	54,738	189,927
	<u>176,404</u>	<u>402,515</u>
Finance charges and interest allocated to future accounting periods	(19,210)	(42,279)
	<u>157,194</u>	<u>360,236</u>
Included in liabilities falling due within one year	(109,030)	(189,107)
	<u>48,164</u>	<u>171,129</u>

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

12 Pension and other post-retirement benefit commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

Defined contribution

	2008 £	2007 £
Contributions payable by the company for the year	195,829	179,512

13 Share capital

	2008 £	2007 £
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 2008	991,015
Profit for the year	106,049
Balance at 31 December 2008	1,097,064

15 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	106,049	506,262
Dividends	-	(250,000)
Net addition to shareholders' funds	106,049	256,262
Opening shareholders' funds	995,415	739,153
Closing shareholders' funds	1,101,464	995,415

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

16 Financial commitments

At 31 December 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2009:

	Land and buildings		Other	
	2008	2007	2008	2007
	£	£	£	£
Operating leases which expire:				
Within one year	45,809	25,320	13,154	11,186
Between two and five years	32,000	98,313	30,117	3,828
	<u>77,809</u>	<u>123,633</u>	<u>43,271</u>	<u>15,014</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
	2008	2007	in year
	£	£	£
MH Jones	<u>12,318</u>	<u>12,318</u>	<u>12,318</u>

Included within other debtors is a rent deposit of £50,000 (2007: £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 (2007: £16,000).

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

18 Employees

Number of employees

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

	2008 Number	2007 Number
Direct labour	1,068	1,192
Administrative staff	48	43
	<u>1,116</u>	<u>1,235</u>

Employment costs

	2008 £	2007 £
Wages and salaries	15,248,189	16,685,938
Social security costs	1,283,545	1,348,599
Other pension costs	195,829	179,512
	<u>16,727,563</u>	<u>18,214,049</u>

19 Control

The immediate and ultimate parent undertaking is Europa Support Services Limited, a company registered in England and Wales.

20 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

EUROPA FACILITY SERVICES LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008

EUROPA FACILITY SERVICES LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

		2008		2007
	£	£	£	£
Turnover				
Sales		24,818,592		27,032,205
Cost of sales				
Materials, subcontractors and services	6,023,843		6,337,814	
Direct wages	13,765,182		15,290,879	
Employer's N.I. contributions	1,121,204		1,197,509	
Staff pension scheme costs	155,468		162,004	
Depreciation on plant and machinery	228,434		248,107	
Depreciation on motor vehicles	7,500		8,650	
		(21,301,631)		(23,244,963)
Gross profit	14.17%	3,516,961	14.01%	3,787,242
Distribution costs	85,017		92,997	
Administrative expenses	3,216,828		3,003,927	
		(3,301,845)		(3,096,924)
Operating profit		215,116		690,318
Other interest receivable and similar income				
Bank interest received		39,673		86,167
Interest payable				
Bank interest paid	7,235		1,721	
Hire purchase interest paid	23,818		21,502	
		(31,053)		(23,223)
Profit before taxation	0.90%	223,736	2.79%	753,262

EUROPA FACILITY SERVICES LIMITED

SCHEDULE OF DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 £	2007 £
Distribution costs		
Advertising	62,069	65,758
Entertaining	22,948	27,239
	<u>85,017</u>	<u>92,997</u>
 Administrative expenses		
Wages and salaries	1,483,007	1,395,059
Employer's N.I. contributions	162,341	151,090
Staff pension costs	40,361	17,508
Staff training	41,735	55,772
Staff recruitment	87,566	35,406
Rent re operating leases	106,974	136,680
Rates	55,547	35,652
Management charges	348,146	375,000
Insurance	196,634	169,765
Light and heat	15,310	6,974
Repairs and maintenance	19,736	8,802
Printing, postage and stationery	50,014	46,751
Telephone	57,025	48,366
Computer running costs	50,336	74,645
Equipment leasing	2,421	2,282
Motor vehicle leasing	31,027	36,265
Motor running expenses	29,765	36,908
Travelling expenses	175,389	136,452
Legal and professional fees	95,061	70,653
Agency staff costs	6,877	44,330
Audit fees	17,560	27,421
Bank charges	4,741	9,222
Bad and doubtful debts	508	-
Sundry expenses	30,156	18,070
Amortisation on short leasehold	2,598	1,777
Depreciation on plant and machinery	100,997	64,504
Depreciation on motor vehicles	1,500	1,500
Loss on disposal of tangibles	3,496	(2,927)
	<u>3,216,828</u>	<u>3,003,927</u>