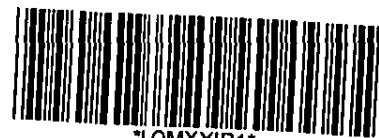


Company Registration No. 1027001 (England and Wales)

**EUROPA FACILITY SERVICES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

WEDNESDAY



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# EUROPA FACILITY SERVICES LIMITED

## COMPANY INFORMATION

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**Directors**

M H Jones  
R Muldoon  
G Brown

**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**

Clydesdale Bank plc  
30 St Vincent Street  
Glasgow  
Scotland  
G1 2HL

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# **EUROPA FACILITY SERVICES LIMITED**

## **CONTENTS**

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Profit and loss account	6
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# **EUROPA FACILITY SERVICES LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2009***

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The directors present their report and financial statements for the year ended 31 December 2009

### **Directors**

The following directors have held office since 1 January 2009

M H Jones

R Muldoon

D Pollock

(Resigned 15 January 2010)

G Brown

### **Principal activities and review of the business**

The principle activity of the company continued to be that of providing integrated facilities management services to the corporate and retail sectors

Our priority in the year was to reinforce our position in the market as a leading deliverer of FM services in our chosen sectors, this has been successfully delivered through two key activities, market presence and operational performance

This has been a difficult trading year for many of our clients particularly in the retail sector. This has given us an opportunity to support our clients pro-actively and provide technical expertise to support their changing needs. Our operational performance has been enhanced through the implementation of our strategy of broadening our breadth of services to our existing clients. Over the period we have seen an increase in the added value services we are providing to integrated service provision. During the year we won an industry award recognising the work we have had on customer service.

### **Principal risks and uncertainties**

The services provided by the company present limited operational risks and these are mitigated through a comprehensive risk management process. The majority of our activities are delivered through long term contracts which are structured to limit the company's exposure to commercial risks. The principal uncertainties with regard to the company's ability to continue to achieve its current level of profitability are the loss of a major client and general economic and market conditions. The company has a diverse client base and the loss of any particular client would not have a catastrophic impact on the company's viability. The trading performance in 2009 demonstrates the company's ability to perform strongly during adverse economic conditions.

### **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.

The company has produced strong growth over the last two years and the directors believe this will continue in 2010. The company is working on new opportunities, a number of which are expected to be secured in 2010.

# **EUROPA FACILITY SERVICES LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2009**

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#### **Key performance indicators**

The directors consider the following key performance indicators

Sales £25.8m (2008 £24.8m)

Profit before tax £0.5m (2008 £0.2m)

Net assets £1.4m (2008 £1.1m)

A number of non-financial key performance indicators are also utilised in the management of the company. These include

- Customer satisfaction levels
- HSEQ performance
- Employee satisfaction, engagement and retention

#### **Results**

The results for the year are set out on page 6

#### **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 on 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 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.

# EUROPA FACILITY SERVICES LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2009**

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### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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

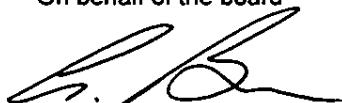
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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 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

26 March 2010

# **EUROPA FACILITY SERVICES LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF EUROPA FACILITY SERVICES LIMITED**

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We have audited the financial statements of Europa Facility Services Limited for the year ended 31 December 2009 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# EUROPA FACILITY SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF EUROPA FACILITY SERVICES LIMITED

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

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

HLB Vantis Audit plc

Vasim Haq (Senior Statutory Auditor)  
for and on behalf of HLB Vantis Audit plc

21/3/10

Chartered Accountants  
Statutory Auditor

66 Wigmore Street  
London  
W1U 2SB





# EUROPA FACILITY SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Turnover	2	25,847,787	24,818,592
Cost of sales		(22,374,202)	(21,301,631)
<b>Gross profit</b>		<b>3,473,585</b>	<b>3,516,961</b>
Distribution costs		-	(85,017)
Administrative expenses		(2,998,582)	(3,216,828)
<b>Operating profit</b>	3	<b>475,003</b>	<b>215,116</b>
Other interest receivable and similar income	4	-	39,673
Interest payable and similar charges	5	(12,067)	(31,053)
<b>Profit on ordinary activities before taxation</b>		<b>462,936</b>	<b>223,736</b>
Tax on profit on ordinary activities	6	(161,709)	(117,687)
<b>Profit for the year</b>	13	<b>301,227</b>	<b>106,049</b>

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 2009

	Notes	2009 £	£	2008 £	£
<b>Fixed assets</b>					
Tangible assets	7		279,011		433,408
<b>Current assets</b>					
Debtors	8	10,110,105		3,837,359	
Cash at bank and in hand		2,883,734		788,687	
		12,993,839		4,626,046	
<b>Creditors, amounts falling due within one year</b>	9	(11,870,159)		(3,909,826)	
<b>Net current assets</b>			1,123,680		716,220
<b>Total assets less current liabilities</b>			1,402,691		1,149,628
<b>Creditors: amounts falling due after more than one year</b>	10		-		(48,164)
			1,402,691		1,101,464
<b>Capital and reserves</b>					
Called up share capital	12		4,400		4,400
Profit and loss account	13		1,398,291		1,097,064
<b>Shareholders' funds</b>	14		1,402,691		1,101,464

Approved by the Board and authorised for issue on 26 MARCH 2010



G Brown  
Director

Company Registration No. 1027001

# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2009**

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### **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 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 Revenue recognition**

Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not billed to clients is included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors

#### **1.6 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

#### **1.7 Deferred taxation**

Where material, deferred tax is provided in full, as required by FRS 19 - Deferred Tax, in respect of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is not discounted

### **2 Turnover**

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

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# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

<b>3</b>	<b>Operating profit</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging		
	Depreciation of tangible assets	240,921	341,029
	Loss on disposal of tangible assets	-	3,496
	Operating lease rentals		
	- Plant and machinery	13,725	33,448
	- Other assets	23,699	106,974
	Auditors' remuneration (including expenses and benefits in kind)	20,000	17,560
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Investment income</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Bank interest	-	39,673
		<u>          </u>	<u>          </u>
		-	39,673
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Interest payable</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	-	7,235
	Hire purchase interest	11,316	23,818
	On overdue tax	751	-
		<u>          </u>	<u>          </u>
		12,067	31,053
		<u>          </u>	<u>          </u>

# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

6	Taxation	2009 £	2008 £
	<b>Domestic current year tax</b>		
	U K corporation tax	142,496	117,687
	Adjustment for prior years	19,213	-
	<b>Current tax charge</b>	<u>161,709</u>	<u>117,687</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>462,936</u>	<u>223,736</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 28.00%)	<u>129,622</u>	<u>62,646</u>
	Effects of		
	Non deductible expenses	4,198	12,414
	Depreciation add back	67,454	95,488
	Capital allowances	(44,064)	(53,364)
	Tax losses/group relief	(13,999)	-
	Change in tax rate	-	2,082
	Adjustments to previous periods	19,213	-
	Small company relief	-	(1,579)
	Other tax adjustments	(715)	-
		<u>32,087</u>	<u>55,041</u>
	<b>Current tax charge</b>	<u>161,709</u>	<u>117,687</u>

# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

### 7 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2009	24,144	1,335,785	31,887	1,391,816
Additions	-	86,524	-	86,524
At 31 December 2009	24,144	1,422,309	31,887	1,478,340
<b>Depreciation</b>				
At 1 January 2009	15,646	916,895	25,867	958,408
Charge for the year	2,815	232,086	6,020	240,921
At 31 December 2009	18,461	1,148,981	31,887	1,199,329
<b>Net book value</b>				
At 31 December 2009	5,683	273,328	-	279,011
At 31 December 2008	8,498	418,890	6,020	433,408

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

	Plant and machinery	Motor vehicles	Total
	£	£	£
<b>Net book values</b>			
At 31 December 2009	26,077	-	26,077
At 31 December 2008	117,872	5,625	123,497
<b>Depreciation charge for the year</b>			
At 31 December 2009	91,795	5,625	97,420
At 31 December 2008	155,949	7,500	163,449

# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2009

<b>8 Debtors</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,513,817	2,221,087
Amounts owed by group undertakings	8,071,581	1,397,599
Other debtors	227,528	100,505
Prepayments and accrued income	297,179	118,168
	<u>10,110,105</u>	<u>3,837,359</u>
<b>9 Creditors' amounts falling due within one year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Net obligations under hire purchase contracts	46,398	109,030
Trade creditors	1,076,485	1,117,473
Amounts owed to group undertakings	7,078,968	-
Corporation tax	142,496	117,525
Other taxes and social security costs	1,509,650	827,932
Other creditors	193,132	628,887
Accruals and deferred income	1,823,030	1,108,979
	<u>11,870,159</u>	<u>3,909,826</u>
<b>10 Creditors: amounts falling due after more than one year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Net obligations under hire purchase contracts	-	48,164
	<u>-</u>	<u>48,164</u>
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	52,973	121,666
Repayable between one and five years	-	54,738
	<u>52,973</u>	<u>176,404</u>
Finance charges and interest allocated to future accounting periods	(6,575)	(19,210)
	<u>46,398</u>	<u>157,194</u>
Included in liabilities falling due within one year	(46,398)	(109,030)
	<u>-</u>	<u>48,164</u>

# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

### 11 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

	2009 £	2008 £
Contributions payable by the company for the year	153,961	195,829

### 12 Share capital

	2009 £	2008 £
<b>Authorised</b>		
250,000 Ordinary shares of £1 each	250,000	250,000
<b>Allotted, called up and fully paid</b>		
4,400 Ordinary shares of £1 each	4,400	4,400

### 13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2009	1,097,064
Profit for the year	301,227
Balance at 31 December 2009	1,398,291

### 14 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the financial year	301,227	106,049
Opening shareholders' funds	1,101,464	995,415
Closing shareholders' funds	1,402,691	1,101,464



# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2009

#### 15 Contingent liabilities

A cross guarantee exists between all group companies in favour of the group's bankers. At the year end group borrowings amounted to £7,125,002 (2008 £8,708,334)

#### 16 Financial commitments

At 31 December 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2010

	Land and buildings		Other	
	2009	2008	2009	2008
	£	£	£	£
Operating leases which expire				
Within one year	3,750	45,809	-	13,154
Between two and five years	-	32,000	81,803	30,117
	<u>3,750</u>	<u>77,809</u>	<u>81,803</u>	<u>43,271</u>

#### 17 Directors' emoluments

	2009	2008
	£	£
Emoluments for qualifying services	104,100	-
Company pension contributions to money purchase schemes	9,000	-
	<u>113,100</u>	<u>-</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2008 - 0)

#### 18 Transactions with directors

Included within other debtors is a rent deposit of £50,000 (2008 £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 £nil (2008 £16,000)

Included in other debtors is an overdrawn interest free loan of £12,318 (2008 £12,318) due from M H Jones

# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

### 19 Employees

#### Number of employees

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

	2009 Number	2008 Number
Direct labour	891	1,068
Administrative staff	17	48
	<u>908</u>	<u>1,116</u>

#### Employment costs

	2009 £	2008 £
Wages and salaries	14,700,827	15,248,189
Social security costs	1,221,612	1,283,545
Other pension costs	153,961	195,829
	<u>16,076,400</u>	<u>16,727,563</u>

### 20 Control

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

Europa Support Services Limited prepares group financial statements and copies can be obtained from The Registrar of Companies, Crown Way, Cardiff

### 21 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