

Company Registration No. 4073907 (England and Wales)

EUROPA FACILITY HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005



EUROPA FACILITY HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M H Jones D J Colbert P M Hargraves
Secretary	D J Colbert
Company number	4073907
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 P O Box 399 40 Whitgift Centre Croydon Surrey CR9 3QB

EUROPA FACILITY HOLDINGS LIMITED

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EUROPA FACILITY HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report and financial statements for the year ended 31 December 2005.

Principal activities and review of the business

The principal activity of the company is holding company for group core business.

The company continues to act effectively as a holding company and the directors expect this to continue for the foreseeable future.

Results and dividends

The results for the year are set out on page 5.

An interim ordinary dividend was paid amounting to £79,400. The directors propose payment of a final dividend amounting to £20,000.

Directors

The following directors have held office since 1 January 2005:

M H Jones
D J Colbert
P M Hargraves

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2005	1 January 2005
M H Jones	102	102
D J Colbert	-	-
P M Hargraves	98	98

Auditors

On 1 April 2006, HLB AV Audit plc changed its name to HLB Vantis Audit plc. 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 HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

Directors' responsibilities

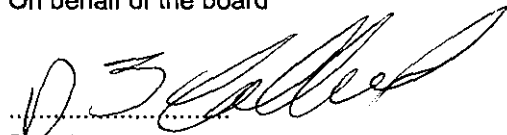
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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.

On behalf of the board



D.J. Colbert

Director

.....11/9/06.....

EUROPA FACILITY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EUROPA FACILITY HOLDINGS LIMITED

We have audited the financial statements of Europa Facility Holdings Limited for the year ended 31 December 2005 set out on pages 5 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

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the directors' *report is not consistent with the financial statements, if 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 HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF EUROPA FACILITY HOLDINGS 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 2005 and of its profit for the year then ended
- and have been properly prepared in accordance with the Companies Act 1985.

HLB Vantis Audit

HLB Vantis Audit plc

12/09/06

Chartered Accountants

Registered Auditor

66 Wigmore Street
London
W1U 2SB



EUROPA FACILITY HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

		2005	2004
	Notes	£	as restated £
Administrative expenses		(327,050)	(411,860)
Other operating income		380,000	410,000
Operating profit/(loss)	2	52,950	(1,860)
Investment income	3	100,000	40,000
Amounts written off investments	4	-	(4,000)
Profit on ordinary activities before taxation		152,950	34,140
Tax on profit on ordinary activities	5	(10,061)	-
Profit for the year	12	142,889	34,140

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

EUROPA FACILITY HOLDINGS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2005

		2005	2004
	Notes	£	as restated £
Profit for the financial year		142,889	34,140
Prior year adjustment	12	(80,000)	-
		<hr/>	<hr/>
Total gains and losses recognised since last financial statements		62,889	34,140
		<hr/>	<hr/>

EUROPA FACILITY HOLDINGS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2005

		2005		2004 as restated	
	Notes	£	£	£	£
Fixed assets					
Investments	7		37,600		37,600
Current assets					
Debtors	8	244		-	
Cash at bank and in hand		1,257		1,206	
		<u>1,501</u>		<u>1,206</u>	
Creditors: amounts falling due within one year	9	<u>(38,855)</u>		<u>(102,049)</u>	
Net current liabilities			(37,354)		(100,843)
Total assets less current liabilities			<u>246</u>		<u>(63,243)</u>
Capital and reserves					
Called up share capital	11		200		200
Profit and loss account	12		46		(63,443)
Shareholders' funds	13		<u>246</u>		<u>(63,243)</u>

Approved by the Board and authorised for issue on 11/9/06

M H Jones
Director

P M Hargraves
Director

EUROPA FACILITY HOLDINGS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

	£	2005 £	£	2004 £
Net cash (outflow)/inflow from operating activities		(20,549)		19,131
Returns on investments and servicing of finance				
Dividends received	100,000		40,000	
Net cash inflow for returns on investments and servicing of finance		100,000		40,000
Equity dividends paid		(79,400)		(59,400)
Net cash inflow/(outflow) before management of liquid resources and financing		51		(269)
Increase/(decrease) in cash in the year		51		(269)

EUROPA FACILITY HOLDINGS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

1	Reconciliation of operating profit/(loss) to net cash (outflow)/inflow from operating activities	2005	2004
		£	£
	Operating profit/(loss)	52,950	(1,860)
	(Increase)/decrease in debtors	(244)	9,367
	(Decrease)/Increase in creditors within one year	(73,255)	11,624
	Net cash (outflow)/inflow from operating activities	(20,549)	19,131

2	Analysis of net funds	1 January 2005	Cash flow	Other non-cash changes	31 December 2005
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,206	51	-	1,257
	Bank deposits	-	-	-	-
	Net funds	1,206	51	-	1,257

3	Reconciliation of net cash flow to movement in net funds	2005	2004
		£	£
	Increase/(decrease) in cash in the year	51	(269)
	Movement in net funds in the year	51	(269)
	Opening net funds	1,206	1,475
	Closing net funds	1,257	1,206

EUROPA FACILITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

1.6 Dividends

The accounting policy in respect of proposed dividends has been changed to reflect the requirements of FRS21: Events after the balance sheet date. As a result of this change a prior period adjustment of £80,000 has been made. In respect of the dividend receivable of £100,000 as at 31 December 2004, the debtor and dividend income have been cancelled. The dividend has been credited to the profit and loss account in the period in which it was received. In respect of the proposed dividend of £20,000 as at 31 December 2004, the creditor and the appropriation of profit have been cancelled. The dividend has been debited to equity in the period in which it was paid.

2	Operating profit/(loss)	2005 £	2004 £
	Operating profit/(loss) is stated after charging:		
	Directors' remuneration	159,778	150,102
	Auditors' remuneration	3,975	4,375
		<u> </u>	<u> </u>
3	Income from investments	2005 £	2004 as restated £
	Income from subsidiary undertakings	100,000	40,000
		<u> </u>	<u> </u>

EUROPA FACILITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

4	Amounts written off investments	2005	2004
		£	£
	Amounts written off fixed asset investments:		
	- permanent diminution in value	-	4,000
		<u></u>	<u></u>
5	Taxation	2005	2004
		£	as restated
			£
	Domestic current year tax		
	U.K. corporation tax	10,061	-
		<u></u>	<u></u>
	Current tax charge	10,061	-
		<u></u>	<u></u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	152,950	34,140
		<u></u>	<u></u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2004 - 19.00%)	29,061	6,487
		<u></u>	<u></u>
	Effects of:		
	Non deductible expenses	-	2,071
	Dividends and distributions received	(19,000)	(7,600)
	Group relief	-	(4)
	Marginal relief	-	(954)
		<u></u>	<u></u>
		(19,000)	(6,487)
		<u></u>	<u></u>
	Current tax charge	10,061	-
		<u></u>	<u></u>
6	Dividends	2005	2004
		£	as restated
			£
	Ordinary interim paid	79,400	59,400
		<u></u>	<u></u>

The directors propose payment of a final dividend amounting to £20,000.

EUROPA FACILITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2005 & at 31 December 2005	41,600
Provisions for diminution in value	
At 1 January 2005 & at 31 December 2005	4,000
Net book value	
At 31 December 2005	37,600
At 31 December 2004	37,600

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Europa Facility Services Limited	England	Ordinary	100
Nationwide Facility Services Limited	England	Ordinary	100
Europa Security Services Limited	England	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2005 £	Profit for the year 2005 £
	Principal activity		
Europa Facility Services Limited	Facilities management	497,062	196,138
Nationwide Facility Services Limited	Facilities management	-	-
Europa Security Services Limited	Dormant	100	-

8 Debtors

	2005 £	2004 as restated £
Other debtors	244	-

EUROPA FACILITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

9 Creditors: amounts falling due within one year	2005	2004 as restated
	£	£
Amounts owed to subsidiary undertakings	2,752	69,920
Corporation tax	10,061	-
Other taxes and social security costs	15,125	11,978
Other creditors	10,917	20,151
	<u>38,855</u>	<u>102,049</u>
10 Pension costs		
Defined contribution		
	2005	2004
	£	£
Contributions payable by the company for the year	<u>21,568</u>	<u>23,712</u>
11 Share capital		
	2005	2004
	£	£
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
200 Ordinary shares of £1 each	<u>200</u>	<u>200</u>
12 Statement of movements on profit and loss account		
		Profit and loss account £
Balance at 1 January 2005 as previously reported		16,557
Prior year adjustment		<u>(80,000)</u>
Balance at 1 January 2005 as restated		(63,443)
Profit for the year		142,889
Dividends paid		<u>(79,400)</u>
Balance at 31 December 2005		<u>46</u>

EUROPA FACILITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

13 Reconciliation of movements in shareholders' funds	2005	2004 as restated
	£	£
Profit for the financial year	142,889	34,140
Dividends	(79,400)	(59,400)
Net addition to/(depletion in) shareholders' funds	63,489	(25,260)
Opening shareholders' funds	(63,243)	(37,983)
Closing shareholders' funds	246	(63,243)

Opening shareholders' funds were originally £16,757 before deducting prior year adjustments of £80,000.

14 Directors' emoluments	2005	2004
	£	£
Emoluments for qualifying services	155,828	157,118
Company pension contributions to money purchase schemes	15,434	15,023
	171,262	172,141

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2004 - 3).

15 Employees

Number of employees

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

	2005 Number	2004 Number
Management staff	5	6
Employment costs	2005 £	2004 £
Wages and salaries	252,944	319,045
Social security costs	31,554	37,174
Other pension costs	21,568	23,712
	306,066	379,931

EUROPA FACILITY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

16 Control

The ultimate controlling party is M H Jones, a director.

17 Related party transactions

During the year there was a management charge of £380,000 (2004: £410,000) receivable from Europa Facility Services Limited, a wholly owned subsidiary of the company. At the balance sheet date the company owed £2,652 (2004: £69,820) to Europa Facility Services Limited.