

Company Registration No. 4073907 (England and Wales)

**EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS  
EUROPA FACILITY HOLDINGS LIMITED)**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2008**



# **EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)**

## **DIRECTORS AND ADVISERS**

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<b>Directors</b>	M H Jones	
	W Allan	
	P Canning	(Appointed 22 February 2008)
	W Loch	
	G Brown	(Appointed 11 November 2008)
	R Muldoon	(Appointed 24 June 2008)
<b>Secretary</b>	R Muldoon	
<b>Company number</b>	4073907	
<b>Registered office</b>	Rosanne House, Parkway Welwyn Garden City Hertfordshire AL8 6HG	
<b>Registered auditors</b>	HLB Vantis Audit plc 66 Wigmore Street London W1U 2SB	
<b>Bankers</b>	National Westminster Bank plc P O Box 399 40 Whitgift Centre Croydon Surrey CR9 3QB	

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# **EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)**

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# **EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)**

## **CHAIRMAN'S REPORT**

### **TO THE SHAREHOLDERS OF EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)**

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2008 was a year of major transformation for Europa. Through the acquisition of United Utilities Facilities Management in February we significantly increased the scale and profitability of our business and took a major step forward in implementing our strategy of building the UK's leading independent facilities management business.

In parallel, through a number of senior appointments we have made excellent progress with the planned strengthening of our management team; this culminated in the recruitment of our new chief executive, Greig Brown, in November.

Our Sales Turnover for the period increased by 74% to £47m (2007 : £27m) and Earnings Before Interest and Tax grew to £3.5m (2007 : £0.75m). These figures include a ten month contribution from the acquired business. Our cash performance improved throughout the period and we closed the year with a positive balance of £7.4m.

In addition to the acquisition, our growth during the year was supported by our success in securing a number of new clients, including CBRE, Haringey Council and ASCO, the Aberdeen based oil and gas logistics specialist.

As well as transforming the scale of our business, the acquisition of United Utilities Facilities Management has broadened our customer base, service range and management capability. We are now in a position to offer a fully integrated facilities management service to major clients; we have a strong group of professional facilities managers and the ability to deliver mechanical and electrical, project, cleaning and security services throughout the UK.

The acquisition was financed by a new equity investment made by HIG Capital and new debt provided by the Clydesdale Bank. Since the transaction we have developed a strong working relationship with both of our new funding partners.

For over twenty years, Europa has been led with great skill and dexterity by Martin Jones. During the year Martin decided that the time had come for him to hand over the reins to a new chief executive. However, in his new role as executive deputy chairman, Martin's skills and vast experience will not be lost to the business. I would like to take this opportunity to formally thank Martin for the immense contribution he has made to the business.

In November 2008, Greig Brown joined the company as Martin's successor. Greig has extensive operational and business development experience in facilities management and has previously held senior positions with Emcor, Alfred McAlpine and Stiehl. I have known Greig for some time and I am confident that he will make a significant impact on the next stage of the company's development.

During the year, we also made a number of other senior appointments designed to strengthen our senior team and establish a leadership group capable of building and managing a business of considerably greater scale.

In February Russell Muldoon was appointed as our new finance director. Russell has considerable experience in support services, having worked for both leading clients and service companies. He has led the successful integration of the acquired United Utilities business and has made good progress in overhauling our financial systems, processes and support functions. In September, Andy Galloway joined as commercial director and he is already making a major impact on the commercial performance of the business.

# **EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)**

## **CHAIRMAN'S REPORT**

### **TO THE SHAREHOLDERS OF EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)**

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At the time of the acquisition of the United Utilities business, we structured the company into three customer facing divisions. John Entwistle, formerly managing director of United Utilities Facilities Management, is now managing director of our Utilities Division and David Pollock, formerly Europa's operations director, is now managing director of our Corporate and Retail Division. In December 2008, David Cox joined as managing director of our Public Sector Division; David has many years' experience in public sector support services, having worked both for major clients and service companies.

I am confident that our new team, under the leadership of Greig Brown, will pilot the business through a period of exciting growth and development.

As we move forward, we will continue to look for further acquisition opportunities which will help to strengthen our services and geographic coverage. However, we will also pursue strong organic growth through focussed marketing and the development of our competitive advantages.

We believe that the UK facilities management industry has made progress in adding value to the outsourced services it provides. However, we also believe that significant scope for further development still exists. Our industry needs to make advances in the quality of management information it provides to its clients. It needs to develop greater ability to help our clients address major challenges like energy management and sustainability; and, above all else, it needs to substantially improve the quality of the service experience enjoyed by its clients.

These are all areas in which we are investing significant time, effort and money in pursuit of our strategy of creating a truly distinctive facilities management business which is capable of delivering superior value to its clients.

Of course, in today's challenging economic times, the operating cost of their facilities has a prominent place on our clients' agendas. We are acutely aware of this and are committed to supporting our clients and to helping them find innovative ways of reducing costs without compromising asset integrity or service quality.

We have a strong business, with a broad range of services and a diverse customer base. We have an excellent new management team and we are working hard to add value to the service we provide to our clients. As we emerge from recession I believe these critical strengths will provide the foundation for a period of sustained growth and development for the company.

W Allan  
31 March 2009

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2008**

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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	
W Allan	
P Canning	(Appointed 22 February 2008)
W Loch	
G Brown	(Appointed 11 November 2008)
R Muldoon	(Appointed 24 June 2008)
D J Colbert	(Resigned 24 June 2008)

### Principal activities and review of the business

The principal activity of the company continued to be that of a holding company for group core business which is the provision of total facilities management as well as the delivery of cleaning, security, front of house and waste management services to public, utilities, corporate and retail sectors.

On 22 February 2008 the company acquired the entire shareholding in United Utilities Facilities Management Limited (now Europa Facilities Management Limited).

The group performed well during the year. Turnover for the group increased by 74% to £47m and earnings before interest and tax increased to £3.5m from £0.75m in the previous year. Net assets have increased to £4.4m from £1.1m in the previous year.

### 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 environment.

### Key performance indicators

The directors consider the following key performance indicators:

Sales £47.1m (2007 : £27.0m)

Profit before tax £2.96m (2007 : £0.78m)

Net assets £4.4m (2007 : £1.1m)

### Results and dividends

The consolidated profit and loss account for the year is set out on page 8.

# **EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)**

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

***FOR THE YEAR ENDED 31 DECEMBER 2008***

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### **Financial instruments**

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

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

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

In respect of loans this is from a financial institution. The group manages liquidity risk by ensuring there are sufficient funds to meet payments. Interest on the loan is variable.

The group 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 group'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.

The group operates an EMI scheme for its employees. Such a scheme acts as a means of further encouraging the involvement of employees in the group's performance.

### **Disabled persons**

The group'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 SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)**

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

**FOR THE YEAR ENDED 31 DECEMBER 2008**

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### **Directors' responsibilities**

The directors are responsible for preparing 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group 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 group'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 group's auditors are aware of that information.

On behalf of the board



G Brown

**Director**

31 March 2009



# **EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)**

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We have audited the group and parent company financial statements (the "financial statements") of Europa Support Services Limited (formerly known as Europa Facility Holdings Limited) for the year ended 31 December 2008 set out on pages 8 to 34. 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 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 group's and 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 SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS  
EUROPA FACILITY HOLDINGS LIMITED)**

**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**TO THE SHAREHOLDERS OF EUROPA SUPPORT SERVICES LIMITED (FORMERLY  
KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)**

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**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 group's and parent company's affairs as at 31 December 2008 and of the group's 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 SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
<b>Turnover</b>	<b>2</b>		
Continuing operations		24,819,507	27,032,205
Acquisitions		<u>22,286,000</u>	<u>-</u>
		47,105,507	27,032,205
 Cost of sales		 (38,074,817)	 (23,244,963)
 <b>Gross profit</b>		 9,030,690	 3,787,242
 Distribution costs		 (98,953)	 (92,997)
Administrative expenses		(5,502,020)	(2,948,929)
Other operating income		<u>117,184</u>	<u>-</u>
 <b>Operating profit</b>	<b>4</b>	 3,546,901	 745,316
<b>Operating profit</b>	<b>4</b>		
Continuing operations		795,901	745,316
Acquisitions		<u>2,751,000</u>	<u>-</u>
		3,546,901	745,316
 Investment income	<b>5</b>	 -	 (25,000)
Other interest receivable and similar income		108,699	86,167
Interest payable and similar charges	<b>6</b>	<u>(697,626)</u>	<u>(23,302)</u>
 <b>Profit on ordinary activities before taxation</b>		 2,957,974	 783,181
 Tax on profit on ordinary activities	<b>7</b>	 (626,788)	 (258,435)
 <b>Profit on ordinary activities after taxation</b>		 <u>2,331,186</u>	 <u>524,746</u>

**EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS  
EUROPA FACILITY HOLDINGS LIMITED)**

**STATEMENT OF RECOGNISED GAINS AND LOSSES**

***FOR THE YEAR ENDED 31 DECEMBER 2008***

		<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
<b>Profit for the financial year</b>		<b>2,331,186</b>	<b>524,746</b>
Loss on fair value of assets	(624,000)		
Experience losses	(220,000)		
Gain on liabilities	653,000		
Net increase in liabilities on acquisition	<u>(83,000)</u>		
Pension scheme movements		<b>(274,000)</b>	<b>-</b>
<b>Total recognised gains and losses relating to the year</b>		<b><u>2,057,186</u></b>	<b><u>524,746</u></b>

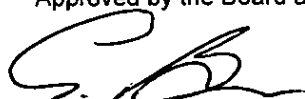
# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## BALANCE SHEETS

AS AT 31 DECEMBER 2008

	Notes	Group 2008 £	2007 £	Company 2008 £	2007 £
<b>Fixed assets</b>					
Intangible assets	10	10,139,678	-	-	-
Tangible assets	11	569,816	634,799	-	-
Investments	12	-	-	12,439,927	37,600
		<u>10,709,494</u>	<u>634,799</u>	<u>12,439,927</u>	<u>37,600</u>
<b>Current assets</b>					
Debtors	14	7,277,755	3,678,347	197,212	110,849
Cash at bank and in hand		<u>7,398,291</u>	<u>1,790,246</u>	<u>1,154,844</u>	<u>3,553</u>
		14,676,046	5,468,593	1,352,056	114,402
<b>Creditors: amounts falling due within one year</b>	15	(13,588,664)	(4,862,739)	(5,022,435)	(40,393)
<b>Net current assets</b>		<u>1,087,382</u>	<u>605,854</u>	<u>(3,670,379)</u>	<u>74,009</u>
<b>Total assets less current liabilities</b>		11,796,876	1,240,653	8,769,548	111,609
<b>Creditors: amounts falling due after more than one year</b>	16	(7,173,166)	(171,129)	(7,125,002)	-
		<u>4,623,710</u>	<u>1,069,524</u>	<u>1,644,546</u>	<u>111,609</u>
<b>Pension scheme liability</b>	18	(247,000)	-	-	-
		<u>4,376,710</u>	<u>1,069,524</u>	<u>1,644,546</u>	<u>111,609</u>
<b>Capital and reserves</b>					
Called up share capital	20	100,000	90,000	100,000	90,000
Share premium account	21	1,240,000	-	1,240,000	-
Profit and loss account	21	<u>3,036,710</u>	<u>979,524</u>	<u>304,546</u>	<u>21,609</u>
<b>Shareholders' funds</b>	22	<u>4,376,710</u>	<u>1,069,524</u>	<u>1,644,546</u>	<u>111,609</u>

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



G Brown  
Director

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	£	2008 £	£	2007 £
<b>Net cash inflow from operating activities</b>		8,281,774		983,307
<b>Returns on investments and servicing of finance</b>				
Interest received	108,699		86,167	
Interest paid	(671,626)		(23,302)	
<b>Net cash (outflow)/inflow for returns on investments and servicing of finance</b>		(562,927)		62,865
<b>Taxation</b>		(257,500)		(114,026)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(349,479)		(194,632)	
Receipts from sales of tangible assets	85,852		8,988	
<b>Net cash outflow for capital expenditure</b>		(263,627)		(185,644)
<b>Acquisitions and disposals</b>				
Purchase of subsidiary undertakings (net of cash acquired)	(11,319,327)		-	
<b>Net cash outflow for acquisitions and disposals</b>		(11,319,327)		-
<b>Equity dividends paid</b>		-		(250,000)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(4,121,607)		496,502
<b>Financing</b>				
Issue of preference shares	1,250,000		-	
New long term bank loan	7,125,002		-	
Other new short term loans	1,583,332		-	
Capital element of hire purchase contracts	(228,682)		(193,443)	
<b>Net cash inflow/(outflow) from financing</b>		9,729,652		(193,443)
<b>Increase in cash in the year</b>		5,608,045		303,059

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

1	Reconciliation of operating profit to net cash inflow from operating activities	2008		2007	
		£		£	
	Operating profit	3,546,901		745,316	
	Depreciation of tangible assets	350,754		324,538	
	Amortisation of intangible assets	454,250		-	
	(Loss)/profit on disposal of tangible assets	3,496		(2,927)	
	Decrease/(increase) in debtors	3,440,592		(357,496)	
	Increase in creditors within one year	238,781		273,876	
	Pension scheme non-cash movement	247,000		-	
	<b>Net cash inflow from operating activities</b>	<b>8,281,774</b>		<b>983,307</b>	
2	Analysis of net (debt)/funds	1 January 2008		31 December 2008	
		£		£	
	Net cash:				
	Cash at bank and in hand	1,790,246	5,608,045	-	7,398,291
	Finance leases	(360,236)	228,682	(25,640)	(157,194)
	Debts falling due within one year	-	(1,583,332)	-	(1,583,332)
	Debts falling due after one year	-	(7,125,002)	-	(7,125,002)
		(360,236)	(8,479,652)	(25,640)	(8,865,528)
	<b>Net funds/(debt)</b>	<b>1,430,010</b>	<b>(2,871,607)</b>	<b>(25,640)</b>	<b>(1,467,237)</b>
3	Reconciliation of net cash flow to movement in net debt	2008		2007	
		£		£	
	Increase in cash in the year	5,608,045		303,059	
	Cash (inflow)/outflow from (increase)/decrease in debt	(8,479,652)		193,442	
	Change in net debt resulting from cash flows	(2,871,607)		496,501	
	New finance lease	(25,640)		(204,274)	
	<b>Movement in net (debt)/funds in the year</b>	<b>(2,897,247)</b>		<b>292,227</b>	
	Opening net funds	1,430,010		1,137,783	
	<b>Closing net (debt)/funds</b>	<b>(1,467,237)</b>		<b>1,430,010</b>	

# **EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)**

## **NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2008**

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<b>4</b>	<b>Purchase of subsidiary undertakings</b>	<b>2008</b>
		<b>£'000</b>
	<b>Net assets acquired:</b>	
	Debtors	7,040
	Cash at bank and in hand	1,083
	Creditors	(6,315)
		<hr/>
		1,808
	Goodwill	10,594
		<hr/>
		12,402
		<hr/>
	<b>Satisfied by:</b>	
	Cash	12,402
		<hr/>
		12,402
		<hr/>



# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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### 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 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2008. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

#### 1.4 Turnover

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

#### 1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

#### 1.6 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
Computer hardware and purchased software	20% straight line basis
Motor vehicles	25% straight line basis

#### 1.7 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.

#### 1.8 Investments

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

# **EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2008**

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### **1 Accounting policies**

**(continued)**

#### **1.9 Pensions**

The Group 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.

For defined benefit schemes, the pension costs are assessed using the projected unit credit method, the cost of providing pensions is charged to the profit and loss account so as to spread the regular costs over the service lives of employees. The pension obligation is measured at the present value of the estimated future cash flows using interest rates on government securities that have terms to maturity approximating the terms of the related liability.

When the benefits of a scheme are improved, past service costs is recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately, following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised as an expense immediately.

#### **1.10 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### **1.11 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### **2 Turnover**

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

### **3 Cost of sales and net operating expenses**

The total figures for continuing operations in 2008 include the following amounts relating to acquisitions: cost of sales £16,773,000, distribution costs £14,000, administrative expenses £2,748,000 and other operating income £-.

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

<b>4</b>	<b>Operating profit</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Amortisation of intangible assets	454,250	-
	Depreciation of tangible assets	350,754	324,538
	Loss on disposal of tangible assets	3,496	-
	Operating lease rentals		
	- Plant and machinery	55,340	38,547
	- Other assets	143,990	136,680
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £21,163; 2007: £9,350)	66,384	36,771
	and after crediting:		
	Profit on disposal of tangible assets	-	(2,927)
		<u>          </u>	<u>          </u>
	Non-audit fees payable to the group's auditor in respect of:		
	- accounting and taxation work : £13,000		
	- due diligence on acquisition of a subsidiary : £155,000		
 <b>5</b>	 <b>Investment income</b>	 <b>2008</b>	 <b>2007</b>
		<b>£</b>	<b>£</b>
	Income from fixed asset investments	-	(25,000)
		<u>          </u>	<u>          </u>
 <b>6</b>	 <b>Interest payable</b>	 <b>2008</b>	 <b>2007</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	7,693	1,800
	On other loans wholly repayable within five years	640,115	-
	Hire purchase interest	23,818	21,502
	Other interest	26,000	-
		<u>          </u>	<u>          </u>
		<u>697,626</u>	<u>23,302</u>

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

7	Taxation	2008 £	2007 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	932,992	257,500
	Adjustment for prior years	-	935
	<b>Current tax charge</b>	<u>932,992</u>	<u>258,435</u>
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(306,204)	-
		<u>626,788</u>	<u>258,435</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>2,957,974</u>	<u>783,181</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2007 - 30.00%)	<u>828,233</u>	<u>234,954</u>
	Effects of:		
	Non deductible expenses	(21,426)	14,843
	Depreciation/amortisation add back	225,478	97,361
	Capital allowances	(112,232)	(86,369)
	Change in tax rate	10,109	-
	Adjustments to previous periods	-	935
	Small company tax relief	(3,577)	-
	Pension related costs	6,407	-
	Other tax adjustments	-	(3,289)
		<u>104,759</u>	<u>23,481</u>
	<b>Current tax charge</b>	<u>932,992</u>	<u>258,435</u>

## 8 Profit for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2008 £	2007 £
Holding company's profit for the financial year	<u>282,937</u>	<u>268,484</u>

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

9	Dividends	2008 £	2007 £
	Ordinary interim paid	-	250,000
10	Intangible fixed assets Group		Goodwill £
	<b>Cost</b>		
	At 1 January 2008		167,067
	Additions		10,593,928
	At 31 December 2008		10,760,995
	<b>Amortisation</b>		
	At 1 January 2008		167,067
	Charge for the year		454,250
	At 31 December 2008		621,317
	<b>Net book value</b>		
	At 31 December 2008		10,139,678
	At 31 December 2007		-

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 11 Tangible fixed assets Group

	Land and buildings Leasehold £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2008	15,651	1,369,725	31,887	1,417,263
Additions	8,493	366,626	-	375,119
Disposals	-	(254,433)	-	(254,433)
At 31 December 2008	24,144	1,481,918	31,887	1,537,949
<b>Depreciation</b>				
At 1 January 2008	13,048	752,549	16,867	782,464
On disposals	-	(165,085)	-	(165,085)
Charge for the year	2,598	339,156	9,000	350,754
At 31 December 2008	15,646	926,620	25,867	968,133
<b>Net book value</b>				
At 31 December 2008	8,498	555,298	6,020	569,816
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 £
<b>Net book values</b>			
At 31 December 2008	117,872	5,625	123,497
At 31 December 2007	352,657	13,125	365,782
<b>Depreciation charge for the year</b>			
31 December 2008	155,949	7,500	163,449
31 December 2007	191,282	8,525	199,807

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 12 Fixed asset investments

Company	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2008	41,600
Additions	12,402,327
At 31 December 2008	12,443,927
<b>Provisions for diminution in value</b>	
At 1 January 2008 & at 31 December 2008	4,000
<b>Net book value</b>	
At 31 December 2008	12,439,927
At 31 December 2007	37,600

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

#### 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	Shares held	
		Class	%
<b>Subsidiary undertakings</b>			
Europa Facility Services Limited	England and Wales	Ordinary	100
Europa Facilities Management Limited	England and Wales	Ordinary	100
Europa Security Services Limited	England and Wales	Ordinary	100
Nationwide Facility Services Limited	England and Wales	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Europa Facility Services Limited	Facilities management
Europa Facilities Management Limited	Facilities management
Europa Security Services Limited	Dormant
Nationwide Facility Services Limited	Dormant

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 13 Acquisition of subsidiary

On 22 February 2008 the group acquired 100% of the ordinary share capital of Europa Facilities Management Limited (formerly United Utilities Facilities Management Limited). Details of this acquisition is outlined below.

#### **Europa Facilities Management Limited (formerly United Utilities Facilities Management Limited)**

The total consideration paid for Europa Facilities Management Limited (formerly United Utilities Facilities Management Limited) was £12.4m in cash and other payments. Goodwill arising on the acquisition has been capitalised and will be written off in accordance with the group's accounting policy. The investment will be included in the company's balance sheet at its fair value at the date of acquisition.

The transaction has been accounted for under the acquisition method of accounting. The provisional fair value of net assets acquired was as follows:

	Net book value	Fair value adjustments	Provisional fair value of assets/ (liabilities) acquired
	£'000	£'000	£'000
Debtors	7,040	-	7,040
Cash	1,083	-	1,083
Creditors: amounts falling due within one year	(6,315)	-	(6,315)
Net assets	1,808	-	1,808
Goodwill on acquisition			10,594
Consideration			12,402

The results and total recognised gains and losses for Europa Facilities Management Limited (formerly United Utilities Facilities Management Limited) pre acquisition period from 1 April 2007 to 22 February 2008 are shown below:

	£ '000
Turnover	21,233
Operating profit	649
Profit before taxation	3,732
Taxation	520
Retained Profit	3,212

For the year ended 31 March 2007, Europa Facilities Management Limited (formerly United Utilities Facilities Management Limited) made a loss after tax of £758,000.



# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

### 14 Debtors

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Trade debtors	5,352,201	3,403,953	-	-
Amounts owed by group undertakings	-	-	-	10,090
Other debtors	305,514	181,593	197,212	100,759
Prepayments and accrued income	1,313,836	92,801	-	-
Deferred tax asset (see note 17)	306,204	-	-	-
	<u>7,277,755</u>	<u>3,678,347</u>	<u>197,212</u>	<u>110,849</u>

### 15 Creditors : amounts falling due within one year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank loans and overdrafts	1,583,332	-	1,583,332	-
Net obligations under finance lease and hire purchase contracts	109,030	189,107	-	-
Trade creditors	1,367,103	1,759,411	-	-
Amounts owed to group undertakings	-	-	2,124,444	100
Corporation tax	1,061,165	257,500	110,824	10,500
Taxes and social security costs	1,315,537	1,113,118	20,601	6,972
Other creditors	2,106,181	605,625	1,137,507	11,221
Accruals and deferred income	6,046,316	937,978	45,727	11,600
	<u>13,588,664</u>	<u>4,862,739</u>	<u>5,022,435</u>	<u>40,393</u>

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

### 16 Creditors : amounts falling due after more than one year

	Group 2008 £	2007 £	Company 2008 £	2007 £
Bank loans	7,125,002	-	7,125,002	-
Net obligations under finance leases and hire purchase agreements	48,164	171,129	-	-
	<u>7,173,166</u>	<u>171,129</u>	<u>7,125,002</u>	<u>-</u>

#### Analysis of loans

Not wholly repayable within five years by instalments:

Bank loans	8,708,334	-	8,708,334	-
Included in current liabilities	(1,583,332)	-	(1,583,332)	-
	<u>7,125,002</u>	<u>-</u>	<u>7,125,002</u>	<u>-</u>

#### Loan maturity analysis

In more than one year but not more than two years

	1,583,332	-	1,583,332	-
In more than two years but not more than five years	4,749,996	-	4,749,996	-
In more than five years	791,674	-	791,674	-
	<u></u>	<u></u>	<u></u>	<u></u>

The bank loan is secured by a debenture in favour of Clydesdale Bank Plc. The rate of interest applicable on the loan is calculated in accordance with the loan agreement.

#### Net obligations under finance leases and 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>	<u>-</u>	<u>-</u>
Finance charges and interest allocated to future accounting periods	(19,210)	(42,279)	-	-
	<u>157,194</u>	<u>360,236</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	(109,030)	(189,107)	-	-
	<u>48,164</u>	<u>171,129</u>	<u>-</u>	<u>-</u>

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 17 Deferred tax

The deferred tax asset (included in Debtors note ) is made up as follows:

	Group 2008 £		Company 2008 £	
Profit and loss account	(306,204)		-	
	Group 2008 £	2007 £	Company 2008 £	2007 £
Decelerated capital allowances	(237,044)	-	-	-
Other timing differences - pension deficit	(69,160)	-	-	-
	(306,204)	-	-	-

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 18 Pension and other post-retirement benefit commitments

#### Defined Benefit Pension Scheme

The Plan is a funded Plan of the defined benefit type, providing retirement benefits based on final salary.

The valuation used for FRS 17 disclosures has been based on a full assessment of the liabilities of the Plan as at 31 December 2008. The present values of the defined benefit obligation, the related current service cost and any past service costs were measured using the projected unit credit method.

The amounts recognised in the balance sheet are as follows:

	31 December 2008	£
Present value of funded obligations	(5,496,000)	
Fair value of plan assets	5,249,000	
	<u>(247,000)</u>	
Deficit	<u>(247,000)</u>	
Net liability	<u><u>(247,000)</u></u>	

The amounts recognised in the profit and loss are as follows:

	31 December 2008	£
Current service cost	225,000	
Interest on obligation	306,000	
Expected return on pension scheme assets	<u>(280,000)</u>	
Total	<u><u>251,000</u></u>	
Actual return on plan assets	<u><u>344,000</u></u>	

# **EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2008**

### **18 Pension and other post-retirement benefit commitments**

**(continued)**

The amounts recognised in the statement of total recognised gains and losses are as follows:

	31 December 2008
	£
Opening pension scheme liability	-
Profit and loss charge	(251,000)
Actuarial losses	(191,000)
Employer contributions	278,000
Net increase in assets from disposals/acquisitions	(83,000)
	<u>          </u>
Closing pension scheme liability	<u>(247,000)</u>

Changes in the present value of the defined benefit obligation are as follows:

	31 December 2008
	£
Current service cost	225,000
Interest cost	306,000
Actuarial losses (gains)	(433,000)
Employee contributions	85,000
Benefits paid	(131,000)
Net increase in liabilities from disposals/acquisitions	5,444,000
	<u>          </u>
Total	<u>5,496,000</u>

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 18 Pension and other post-retirement benefit commitments

(continued)

Changes in fair value of plan assets are as follows:

	31 December 2008 £
Expected return	280,000
Actuarial (losses)/gains	(624,000)
Contributions by employer	278,000
Employee contributions	85,000
Benefits paid	(131,000)
Net increase in assets from disposals/acquisitions	5,361,000
Closing Fair value of plan assets	5,249,000

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2008 %
Discount rate at 31 December 2008	6.30
Inflation	2.90
Rate of pension increases (UU ESPS)	2.90
Rate of pension increases (UUPS)	2.80
Rate of increase in deferred pensions	2.90
Salary increases	3.65

The major categories of plan assets as a percentage of total plan assets are as follows:

At the balance sheet date, the assets of the Plan consisted of cash in the Plan bank account and the bulk transfer amounts receivable from the two United Utilities schemes.

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 18 Pension and other post-retirement benefit commitments

(continued)

Expected return on Plan assets are as follows:

Asset Class	31 December 2008
	% per annum
Equities	7.6
Property	6.6
Fixed interest Government	3.9
Index Linked Government	3.9
Other	2.5
Total	5.3

The total expected returns on assets has been calculated based on the expected return on each asset class and the long-term investment strategy of the Plan of 30% global equities, 10% property and 60% government bonds. The assumptions selected as at 31 December 2008 affect the FRS 17 profit and loss charge for the coming year, which will not be disclosed until 31 December 2009.

Amounts for the current and previous four periods are as follows:

As this is the first year the Plan has been in existence there is no information for previous years.

#### Expected future contributions

The total contribution amount (member and company) expected to be paid to the scheme in 2009 is estimated to be £333,000. Additional employer contributions will be required if there are any redundancies or augmentations during the year.

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

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### 19 Share-based payment transactions

The company set up a share option scheme on 29 October 2007 and certain directors and staff were granted share options on that date whereby each person received 20,000 share options in four tranches of 5,000 per annum with the options vesting on the agreed and adopted financial budget and operating profit for the years ended 31 December 2006 to 31 December 2009. If performance criteria is not met then the share options lapse. Based on the performance criteria for the financial statements for the year ended 31 December 2008 no share options lapsed (2007: 15,000).

The four tranches of share options have been valued at the grant date at £1.71, £1.45, £1.23 and £1.05 per option.

The valuation of share options has been calculated using the Black-Scholes pricing model with the following assumptions:

Exercise price: £0.10

Expected volatility: 25%

Expected life of option: 0, 1, 2, 3 years from the date of grant for the four tranches

Risk free interest rate: 5.53%, 5.05%, 4.97%, 4.89% for the four tranches

On 18 July 2008, the company granted a further 48,000 options to existing directors and staff. Included within this grant are 10,000 options that are unconditional and 10,000 options that are conditional upon performance criteria for the years ended 31 December 2008 and 2009.

The share options have been valued at £2.483 per option using the Black-Scholes pricing model with the following assumptions:

Exercise price: £0.10

Expected volatility: 28%

Expected life of option: 4 years

Risk free interest rate: 5.04%

The directors assessed the impact of this scheme to the profit and loss account and considered it to be immaterial, hence the charge to the profit and loss account is £nil (2007 - £nil).



# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

20	Share capital	2008 £	2007 £
	<b>Authorised</b>		
	900,000 Ordinary shares of 10p each	90,000	90,000
	100,000 'B' Ordinary shares of 10p each	10,000	10,000
	200,000 Convertible preference shares of 10p each	20,000	-
		<u>120,000</u>	<u>100,000</u>
	<b>Allotted, called up and fully paid</b>		
	800,000 Ordinary shares of 10p each	80,000	90,000
	200,000 Convertible preference shares of 10p each	20,000	-
		<u>100,000</u>	<u>90,000</u>

During the year the company issued 100,000 convertible preference shares of £0.10 each to H.I.G. Europe-Europa Limited. Also during the year, M H Jones sold 100,000 Ordinary shares of £0.10 each to H.I.G. Europe-Europa Limited converted to preference shares of £0.10 each.

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

### 21 Statement of movements on reserves Group

	Share premium account £	Profit and loss account £
Balance at 1 January 2008	-	979,524
Profit for the year	-	2,331,186
Premium on shares issued during the year	1,240,000	-
Actuarial gains or losses on pension scheme assets	-	(274,000)
Balance at 31 December 2008	<u>1,240,000</u>	<u>3,036,710</u>

### Company

	Share premium account £	Profit and loss account £
Balance at 1 January 2008	-	21,609
Profit for the year	-	282,937
Premium on shares issued during the year	1,240,000	-
Balance at 31 December 2008	<u>1,240,000</u>	<u>304,546</u>

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

22 Reconciliation of movements in shareholders' funds		
	2008	2007
Group	£	£
Profit for the financial year	2,331,186	524,746
Dividends	-	(250,000)
	<u>2,331,186</u>	<u>274,746</u>
Other recognised gains and losses	(274,000)	-
Proceeds from issue of shares	1,250,000	-
	<u>3,307,186</u>	<u>274,746</u>
Net addition to shareholders' funds	1,069,524	794,778
Opening shareholders' funds	<u>4,376,710</u>	<u>1,069,524</u>
Closing shareholders' funds	<u>4,376,710</u>	<u>1,069,524</u>

Company		
	2008	2007
	£	£
Profit for the financial year	282,937	268,484
Dividends	-	(250,000)
	<u>282,937</u>	<u>18,484</u>
Proceeds from issue of shares	1,250,000	-
	<u>1,532,937</u>	<u>18,484</u>
Net addition to shareholders' funds	111,609	93,125
Opening shareholders' funds	<u>1,644,546</u>	<u>111,609</u>
Closing shareholders' funds	<u>1,644,546</u>	<u>111,609</u>

## 23 Financial commitments

At 31 December 2008 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2008	2007	2008	2007
	£	£	£	£
Expiry date:				
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>

# EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS EUROPA FACILITY HOLDINGS LIMITED)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

24 Directors' emoluments	2008 £	2007 £
Emoluments for qualifying services	254,978	166,734
Company pension contributions to money purchase schemes	21,469	10,095
	<u>276,447</u>	<u>176,829</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2007- 3).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	93,750	84,968
Company pension contributions to money purchase schemes	<u>9,375</u>	<u>6,135</u>

## 25 Employees

### Number of employees

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

	2008 Number	2007 Number
Management staff	3	2
Direct labour	1,300	1,192
Administrative staff	60	43
	<u>1,363</u>	<u>1,237</u>

Employment costs	2008 £	2007 £
Wages and salaries	20,490,946	16,882,826
Social security costs	1,730,016	1,372,395
Other pension costs	640,296	191,607
	<u>22,861,258</u>	<u>18,446,828</u>

**EUROPA SUPPORT SERVICES LIMITED (FORMERLY KNOWN AS  
EUROPA FACILITY HOLDINGS LIMITED)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2008***

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**26 Related party transactions**

The company and group have 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 group headed by Europa Support Services Limited.