Company Registration No. 1027001

EUROPA FACILITY SERVICES LIMITED

Report and Financial Statements

For the year ended 31 December 2012

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REPORT AND FINANCIAL STATEMENTS 2012

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M H Jones
R P Muldoon
G R Brown

SECRETARY

R P Muldoon

REGISTERED OFFICE

Ground Floor,
West Wing,
The Victoria,
152-158 Quays Loop Road,
Salford Quays,
Manchester
M50 3SP

BANKERS

HSBC Bank plc
2nd Floor
4 Hardman Square
Spinningfields
Manchester
M3 3EB

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2012

DIRECTORS

The following directors have held office since 1 January 2012

M H Jones

R P Muldoon

G R Brown

PRINCIPAL ACTIVITIES

The principal activities of the company continued to be that of providing integrated facilities management ("FM") services to the corporate and retail sectors

Our focus in the year has been to reinforce our position in the market as a leading provider of high quality FM services to our chosen sectors We have successfully achieved this by concentrating on the core values on which the company is based, these being service integrity, innovation people and performance

We continue to support our clients by bringing an increasing breadth of service capabilities to bear, adding value to their organisations

GOING CONCERN

Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements

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 2012 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 2013

KEY PERFORMANCE INDICATORS

The directors consider the following key performance indicators

Sales	£57 9m	(2011 £42 2m)
Profit before tax	£0 7m	(2011 £0 9m)
Net assets	£3 0m	(2011 £2 5m)

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

- Customer satisfaction levels
- Health Safety Environment and Quality performance (HSEQ)
- Employee satisfaction, engagement and retention

RESULTS AND DIVIDENDS

The results for the year are set out on page 6 No dividends were paid or proposed in the current or prior year

DIRECTORS' REPORT (continued)

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 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 to 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

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of Companies Act 2006

Deloitte LLP have expressed their willingness to be reappointed for another terms and appropriate arrangements have been put in place for them to be deemed reappointed as auditor The directors will place a resolution before the Annual General Meeting to reappoint Deloitte LLP as auditor for the ensuing year

Approved by the Board of Directors on 10|5 2013
and signed on behalf of the Board

R P Muldoon
Secretary

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPA FACILITY SERVICES LIMITED

We have audited the financial statements of Europa Facility Services Limited for the year ended 31 December 2012, which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 20 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 and express an opinion on 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 In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 2012 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

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

Anthony Farnworth BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
10/05/2013

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2012

	Note	2012 £	2011 £
TURNOVER	2	57,882,926	42,153,291
Cost of sales		(53,877,271)	(38,486,443)
GROSS PROFIT		4 005,655	3,666,848
Administrative expenses		(3,319,572)	(2,751,661)
OPERATING PROFIT	3	686,083	915,187
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		686,083	915,187
Tax on profit on ordinary activities	4	(178,140)	(188,300)
PROFIT FOR THE YEAR	12, 13	507,943	726,887

All results derive from continuing operations

There are no recognised gains and losses in either year other than those stated in the profit and loss accounts above Consequently, no separate statement of total recognised gains and losses has been presented

BALANCE SHEET
As at 31 December 2012

	Note		2012 £		2011 £
FIXED ASSETS					
Tangible assets	5		661,472		468,842
CURRENT ASSETS					
Debtors	6	47,950,029		35,930,194	
Cash at bank and in hand		718,781		1,602,312	
		48,668,810		37,532,506	
CREDITORS. amounts falling due within one year	7	(45,911,196)		(35,222,443)	
NET CURRENT ASSETS			2,757,614		2 310,063
TOTAL ASSETS LESS CURRENT LIABILITIES			3,419 086		2,778,905
CREDITORS amounts falling due after more than one year	8		(441,945)		(309,707)
NET ASSETS			2,977,141		2,469,198
CAPITAL AND RESERVES					
Called-up share capital	11		4,400		4,400
Profit and loss account	12		2 972 741		2,464,798
SHAREHOLDERS' FUNDS	13		2,977,141		2,469,198

These financial statements for Europa Facility Services Limited, registered company number 1027001, were approved by the Board of Directors and authorised for issue on 10/5 2013

Signed on behalf of the Board of Directors

R P Muldoon

Director

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

1. ACCOUNTING POLICIES

The pnncipal accountmg policies are summarised below They have all been applied consistently throughout the year and the preceding year

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

Going concern

When considering going concern the directors consider the company's business activities, together with the factors likely to affect its future development, performance and position As noted in this review, the directors view the future outlook of the company as positive

The company meets its day to day working capital requirements through its own working capital and also intra group funding within the Europa Support Services Limited group ("Group ')

In carrying out their duties in respect of going concern, the directors have carried out a review of the company's and Group's financial position and cash flow forecast for 12 months from the date of signing the financial statements This has been based on a comprehensive review of revenue, expenditure and cash flows, incorporating specific business risks and the uncertainties brought about by the current economic environment

At the year end, the Group had a net cash balance of £4 4m (2011 £4 9m) and net funds of £1 2m (2011 £0 3m) In addition, on XX March 2013, the Group secured new banking facilities with HSBC, which consists of a £10 0 million revolving credit facility at 2 0% interest above LIBOR, repayable March 2017 Within this £10 0 million revolving credit facility is a £2 0 million overdraft facility renewable after 12 months

The company's and Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current resources and facilities, including ongoing compliance with the covenants attached to the Group's bank facilities over the period discussed above

Having taken all of the above factors into consideration, the directors have reached a conclusion that the company is able to manage its business risks despite the current uncertain economic outlook Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

Turnover

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

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 vary from 20% - 33% straight line basis
Motor vehicles	25% straight line basis

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 obligations outstanding in each period

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2012

1. ACCOUNTING POLICIES (continued)

Turnover recognition

Turnover 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 Turnover not billed to clients is included in debtors and payments on account in excess of the relevant amount of turnover are included in creditors

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

Cash flow statement

The company is a wholly owned subsidiary of Europa Support Services Limited which prepares a publicly available consolidated cash flow statement As such the company is exempt from the preparation of a cash flow statement

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the company s taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on a non-discounted basis

2 TURNOVER

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

3. OPERATING PROFIT

Operating profit is stated after charging

	2012 £	2011 £
Depreciation of tangible assets	172,849	67,527
Operating lease rentals		
Plant and machinery	69,145	83,688

The audit fee of £10,000 (2011 £10,000) and non-audit fees for the current year have been borne by the parent company and has not been recharged

There were no non audit fee charges in either year

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2012

4. TAXATION

	2012	2011
	£	£
Domestic current year taxation		
UK corporation tax	172,077	218,176
Adjustment for prior years	113	21,548
Current tax charge	172,190	239,724
Deferred tax		
Reversal of timing differences	1,956	24,946
Adjustment in respect of previous periods	-	(80,960)
Effect of changes in tax rates	3,994	4,590
Total deferred tax charge/(credit)	5,950	(51,424)
Tax on profit on ordinary activities	178,140	188,300
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	686,083	915,187
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24 5% (2011 26 49%)	168,072	242,462
Effects of:		
Non deductible expenses	5,959	660
Capital allowances in excess of depreciation	(3,930)	(24,757)
Movement in short term timing differences	1,974	(189)
Adjustments to previous periods	113	21,548
Other tax adjustments	2	-
Current tax charge	172,190	239,724

The tax charge in future years will be affected by the announcement on 5 December 2012 that the corporation tax main rate would be reduced by 1% to 23% from 1 April 2013 and a further 1% until 1 April 2014 when the rate will be 22% It is not expected that the reduction will have a significant impact on the company and Group's deferred tax

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2012

5. TANGIBLE FIXED ASSETS

	Land and buildings leasehold £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2012	10,072	1,579,336	31,887	1,621,295
Additions	-	365,479	-	365 479
At 31 December 2012	10,072	1,944,815	31,887	1,986,774
Depreciation				
At 1 January 2012	10,072	1,110,494	31,887	1,152,453
Charges for the year	-	172,849	-	172,849
At 31 December 2012	10,072	1,283,343	31,887	1 325,302
Net book value				
At 31 December 2012	-	661 472	-	661,472
At 31 December 2011	-	468,842	-	468,842

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

	Plant and machinery £
Net book values	
At 31 December 2012	656 280
At 31 December 2011	380,694
Depreciation charge for the year	
Year ended 31 December 2012	132,412
Year ended 31 December 2011	26,077

6. DEBTORS

	2012 £	2011 £
Trade debtors	3 573,798	1,601,511
Amounts owed by group undertakings	41,016,690	31,975,139
Other debtors	372,843	921,080
Prepayments and accrued income	2,941,224	1,381,040
Deferred tax (see note 9)	45,474	51,424
	47,950,029	35,930,194

The intercompany balances are repayable on demand, are unsecured and are non interest-bearing

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2012

7. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Obligations under hire purchase contracts	172,452	99,365
Trade creditors	2,439,848	1,525,666
Amounts owed to group undertakings	33,190,849	26,612,504
Corporation tax	50,413	239,724
Other taxes and social security costs	5,577,858	4,380,454
Other creditors	203,753	159,905
Accruals and deferred income	4,276,023	2,204,825
	45,911,196	35,222,443

The intercompany balances are repayable on demand are unsecured and are non interest-bearing

8. CREDITORS· AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £	2011 £
Net obligations under hire purchase contracts		
Repayable within one year	172,452	99,365
Repayable between one and five years	441,945	309,707
	614,397	409 072
Included in liabilities falling due within one year	(172,452)	(99,365)
	441,945	309,707

9 DEFERRED TAX

The deferred tax asset (included in debtors, note 6) is made up as follows

	2012 £
Balance at 1 January 2012	51,424
Profit and loss account charge	(5,950)
Balance at 31 December 2012	45 474

	2012 £	2011 £
Decelerated capital allowances	38,558	45,921
Other timing differences	6,916	5,503
	45,474	51,424

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2012

10. PENSION 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

	2012 £	2011 £
Contributions payable by the company for the year	435 756	546,009

11. SHARE CAPITAL

	2012 £	2011 £
Authorised		
250,000 ordinary shares of £1 each	250 000	250,000
Allotted, called-up and fully paid		
4,400 ordinary shares of £1 each	4,400	4,400

12. STATEMENT OF MOVEMENTS ON PROFIT AND LOSS ACCOUNT

	Profit and loss account £
Balance at 1 January 2012	2,464,798
Profit for the year	507,943
Balance at 31 December 2012	2 972,741

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	507,943	726,887
Opening shareholders funds	2,469,198	1,742,311
Closing shareholders' funds	2,977 141	2,469,198

14 CONTINGENT LIABILITY

A cross guarantee exists between all group companies in favour of the group s bankers At the year end group borrowings amounted to £2,375,006 (2011 £3,958,338) A fixed and floating charge over the company and all assets exists in favour of the group's bankers

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2012

15. FINANCIAL COMMITMENTS

At 31 December 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2013

	2012 £	2011 £
Operating leases which expire		
Within one year	5,441	25,200
Between two and five years	68,261	17,010
	73,702	42,210

16. DIRECTORS' EMOLUMENTS

	2012 £	2011 £
Emoluments for qualifying services	487,725	440 624
Company pension contributions to money purchase schemes	34,637	7,773
Payments made to highest paid director	522,362	448,397

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2011 2) Director costs have been recharged to Europa Support Services Limited (the parent company) as the directors deem that this is where the majority of their time is spent and it would not be possible to apportion these costs fairly between companies in the group

17 TRANSACTIONS WITH DIRECTORS

Included within other debtors is a rent deposit of £50,000 (2011 £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

18 EMPLOYEES

Number of employees

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

	2012 No.	2011 No.
Direct labour	2 933	2,423
Administrative staff	245	210
	3,178	2,633

	2012 £	2011 £
Employment costs		
Wages and salaries	59,061,425	37,621,703
Social security costs	5,246,779	3,286,002
Other pension costs	1,331,802	546,009
	65,640,006	41,453,714

During the year, costs of £32,593,767 (2011 £18,263,766) were recharged to other group companies, which is included in the costs presented above

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2012

19. CONTROL

The immediate and ultimate parent undertaking is Europa Support Services Limited, a company registered in England and Wales The largest and smallest group in which this company is consolidated is that of the Europa Support Services Limited group

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

The directors consider that there is no one ultimate controlling party

20. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 not to disclose transactions with other wholly owned group companies