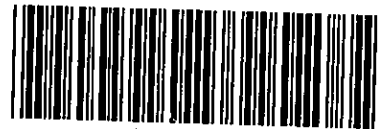


Company Registration No 1027001 (England and Wales)

**EUROPA FACILITY SERVICES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

TUESDAY



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# EUROPA FACILITY SERVICES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M H Jones R P Muldoon G Brown
<b>Secretary</b>	R P Muldoon
<b>Company number</b>	1027001
<b>Registered office</b>	Rosanne House Parkway Welwyn Garden City Hertfordshire AL8 6HG
<b>Auditors</b>	RSM Tenon Audit Limited 66 Chiltern Street London W1U 4JT
<b>Bankers</b>	Clydesdale Bank plc 30 St Vincent Street Glasgow Scotland G1 2HL

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# EUROPA FACILITY SERVICES LIMITED

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# EUROPA FACILITY SERVICES LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2010

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The directors present their report and financial statements for the year ended 31 December 2010

#### Directors

The following directors have held office since 1 January 2010

M H Jones  
R P Muldoon  
G Brown

#### Principal activities and review of the business

The principal activities of the company continued to be that of providing integrated facilities management 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: 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.

#### 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 2010 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 2011. The company is working on new opportunities, a number of which are expected to be secured in 2011.

#### Key performance indicators

The directors consider the following key performance indicators:

Sales £26.3m (2009: £25.8m)  
Profit before tax £0.5m (2009: £0.5m)  
Net assets £1.7m (2009: £1.4m)

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

# EUROPA FACILITY SERVICES LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

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### Results

The results for the year are set out on page 6

### Financial instruments

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

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

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

The company is a lessee in respect of finance leased assets and ensures there are sufficient funds to meet payments.

Trade debtors are managed in respect of credit and cash flow risk by application of policies regarding the credit offered to customers, and the regular monitoring of amounts outstanding with reference to time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts falling due at the appropriate time.

### Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

### Disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

# EUROPA FACILITY SERVICES LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2010**

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### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



G Brown

Director

3/2/11

# EUROPA FACILITY SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF EUROPA FACILITY SERVICES LIMITED

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We have audited the financial statements of Europa Facility Services Limited for the year ended 31 December 2010 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 Directors' 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 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

# EUROPA FACILITY SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF EUROPA FACILITY SERVICES LIMITED

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

RSM Tenon Audit Ltd

Vasim Haq (Senior Statutory Auditor)  
for and on behalf of RSM Tenon Audit Limited

22/8/11

Statutory Auditor

66 Chiltern Street  
London  
W1U 4JT



# EUROPA FACILITY SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

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		2010	2009
	Notes	£	£
Turnover	2	26,278,189	25,847,787
Cost of sales		(23,561,807)	(22,374,202)
<b>Gross profit</b>		2,716,382	3,473,585
Administrative expenses		(2,240,970)	(2,998,582)
<b>Operating profit</b>	3	475,412	475,003
Interest payable and similar charges	4	(6,467)	(12,067)
<b>Profit on ordinary activities before taxation</b>		468,945	462,936
Tax on profit on ordinary activities	5	(129,325)	(161,709)
<b>Profit for the year</b>	11	<u>339,620</u>	<u>301,227</u>

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

There are no recognised gains and losses other than those passing through the profit and loss account

# EUROPA FACILITY SERVICES LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	2010		2009	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6		97,345		279,011
<b>Current assets</b>					
Debtors	7	28,012,076		10,110,105	
Cash at bank and in hand		1,187,986		2,883,734	
		<u>29,200,062</u>		<u>12,993,839</u>	
<b>Creditors' amounts falling due within one year</b>	8	<u>(27,555,096)</u>		<u>(11,870,159)</u>	
<b>Net current assets</b>			<u>1,644,966</u>		<u>1,123,680</u>
<b>Total assets less current liabilities</b>			<u>1,742,311</u>		<u>1,402,691</u>
<b>Capital and reserves</b>					
Called up share capital	10		4,400		4,400
Profit and loss account	11		<u>1,737,911</u>		<u>1,398,291</u>
<b>Shareholders' funds</b>	12		<u>1,742,311</u>		<u>1,402,691</u>

Approved by the Board and authorised for issue on

3/8/11



G Brown  
Director

Company Registration No. 1027001

# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

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

#### 1.2 Turnover

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

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

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

#### 1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

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

#### 1.5 Revenue recognition

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

#### 1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

#### 1.7 Deferred taxation

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

### 2 Turnover

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

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# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

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<b>3</b>	<b>Operating profit</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging		
	Depreciation of tangible assets	90,330	240,921
	Operating lease rentals		
	- Plant and machinery	12,558	13,725
	- Other assets	-	23,699
	Fees payable to the company's auditor for the audit of the company's annual accounts	-	20,000
		<u>-</u>	<u>20,000</u>

The audit fee for the year has been included in the fee charged to the parent company

<b>4</b>	<b>Interest payable</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Hire purchase interest	6,467	11,316
	On overdue tax	-	751
		<u>6,467</u>	<u>12,067</u>

# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

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5 Taxation	2010	2009
	£	£
<b>Domestic current year tax</b>		
U K corporation tax	115,641	142,496
Adjustment for prior years	13,684	19,213
	<u>129,325</u>	<u>161,709</u>
<b>Current tax charge</b>		
	<u>129,325</u>	<u>161,709</u>
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	468,945	462,936
	<u>468,945</u>	<u>462,936</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	131,305	129,622
	<u>131,305</u>	<u>129,622</u>
Effects of		
Non deductible expenses	-	4,198
Capital allowances in excess of depreciation	(317)	23,390
Tax losses/group relief	-	(13,999)
Adjustments to previous periods	13,684	19,213
Other tax adjustments	(15,347)	(715)
	<u>(1,980)</u>	<u>32,087</u>
<b>Current tax charge</b>	<u>129,325</u>	<u>161,709</u>

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# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

### 6 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2010	24,144	1,422,309	31,887	1,478,340
Inter company transfers	(14,072)	(328,340)	-	(342,412)
Additions	-	46,343	-	46,343
At 31 December 2010	10,072	1,140,312	31,887	1,182,271
<b>Depreciation</b>				
At 1 January 2010	18,461	1,148,981	31,887	1,199,329
Inter company transfers	(8,389)	(196,344)	-	(204,733)
Charge for the year	-	90,330	-	90,330
At 31 December 2010	10,072	1,042,967	31,887	1,084,926
<b>Net book value</b>				
At 31 December 2010	-	97,345	-	97,345
At 31 December 2009	5,683	273,328	-	279,011

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

	Plant and machinery £
<b>Net book values</b>	
At 31 December 2010	-
At 31 December 2009	26,077
<b>Depreciation charge for the year</b>	
At 31 December 2010	26,077
At 31 December 2009	91,795

# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

7 Debtors	2010 £	2009 £
Trade debtors	1,223,779	1,513,817
Amounts owed by group undertakings	25,780,052	8,071,581
Other debtors	443,084	227,528
Prepayments and accrued income	565,161	297,179
	<u>28,012,076</u>	<u>10,110,105</u>

8 Creditors: amounts falling due within one year	2010 £	2009 £
Net obligations under hire purchase contracts	-	46,398
Trade creditors	1,221,460	1,076,485
Amounts owed to group undertakings	22,021,169	7,078,968
Corporation tax	115,641	142,496
Other taxes and social security costs	1,794,909	1,509,650
Other creditors	119,444	193,132
Accruals and deferred income	2,282,473	1,823,030
	<u>27,555,096</u>	<u>11,870,159</u>

### Net obligations under hire purchase contracts

Repayable within one year	-	46,398
Finance charges and interest allocated to future accounting periods	-	-
	<u>-</u>	<u>46,398</u>

## 9 Pension and other post-retirement benefit commitments

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

### Defined contribution

	2010 £	2009 £
Contributions payable by the company for the year	<u>165,686</u>	<u>153,961</u>

# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

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<b>10 Share capital</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
250,000 Ordinary shares of £1 each	250,000	250,000
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid</b>		
4,400 Ordinary shares of £1 each	4,400	4,400
	<u>          </u>	<u>          </u>
<b>11 Statement of movements on profit and loss account</b>		<b>Profit and loss account</b>
		<b>£</b>
Balance at 1 January 2010		1,398,291
Profit for the year		339,620
		<u>          </u>
Balance at 31 December 2010		1,737,911
		<u>          </u>
<b>12 Reconciliation of movements in shareholders' funds</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	339,620	301,227
Opening shareholders' funds	1,402,691	1,101,464
	<u>          </u>	<u>          </u>
Closing shareholders' funds	1,742,311	1,402,691
	<u>          </u>	<u>          </u>

### 13 Contingent liabilities

A cross guarantee exists between all group companies in favour of the group's bankers. At the year end group borrowings amounted to £5,541,670 (2009 £7,125,002). A fixed and floating charge over the company and all assets exists in favour of the group's bankers.



# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2010

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#### 14 Financial commitments

At 31 December 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2011

	Land and buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Operating leases which expire				
Within one year	-	3,750	-	-
Between two and five years	-	-	25,200	81,803
	<u>-</u>	<u>3,750</u>	<u>25,200</u>	<u>81,803</u>
	<u>-</u>	<u>3,750</u>	<u>25,200</u>	<u>81,803</u>

#### 15 Directors' emoluments

	2010	2009
	£	£
Emoluments for qualifying services	92,014	104,100
Company pension contributions to money purchase schemes	380	9,000
	<u>92,394</u>	<u>113,100</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 0 (2009 - 1)

#### 16 Transactions with directors

Included within other debtors is a rent deposit of £50,000 (2009 £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

# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

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### 17 Employees

#### Number of employees

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

	2010 Number	2009 Number
Direct labour	905	891
Administrative staff	10	17
	<u>915</u>	<u>908</u>

#### Employment costs

	2010 £	2009 £
Wages and salaries	14,270,570	14,700,827
Social security costs	1,200,078	1,221,612
Other pension costs	165,686	153,961
	<u>15,636,334</u>	<u>16,076,400</u>

### 18 Control

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

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

### 19 Related party transactions

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