

Company Registration No. 1027001 (England and Wales)

**EUROPA FACILITY SERVICES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2001**

AV AUDIT



# EUROPA FACILITY SERVICES LIMITED

## COMPANY INFORMATION

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AV AUDIT	<b>Directors</b>	M H Jones P M Hargraves K W Durling (Appointed 27 November 2001) D J Colbert (Appointed 27 November 2001)
	<b>Secretary</b>	P M Hargraves
	<b>Company number</b>	1027001
	<b>Registered office</b>	Gate House Fretherne Road Welwyn garden City, Herts AL8 6RD
	<b>Auditors</b>	HLB AV Audit plc 66 Wigmore Street London W1U 2HQ
	<b>Bankers</b>	National Westminster Bank Plc PO Box 399 40 Whitgift Centre Croydon Surrey CR9 3QB

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# EUROPA FACILITY SERVICES LIMITED

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# EUROPA FACILITY SERVICES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

The directors present their report and financial statements for the year ended 31 December 2001.

### Principal activities and review of the business

The company is principally engaged in the provision of office and industrial cleaning and facilities management.

### Results and dividends

The results for the year are set out on page 4.

### The Euro

The company has assessed the impact of the introduction of the Euro on its operations and concluded that there will be no significant effects to the business in the immediate future.

### Directors

The following directors have held office since 1 January 2001:

M H Jones	
P M Hargraves	
K W Durling	(Appointed 27 November 2001)
D J Colbert	(Appointed 27 November 2001)
N D Hurlstone	(Appointed 27 November 2001 and resigned 27 April 2002)

### Directors' interests

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

	Ordinary shares of £ 1 each	
	31 December 2001	1 January 2001
M H Jones	-	-
P M Hargraves	-	-
K W Durling	-	-
D J Colbert	-	-
N D Hurlstone	-	-

The directors have no beneficial interest in the shares of the company, which is a wholly owned subsidiary of Europa Facility Holdings Limited. The interests of the directors who are the directors of the parent undertaking are disclosed in the financial statements of that company.

### 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 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.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

# EUROPA FACILITY SERVICES LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2001

### 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.

### Auditors

AV Audit Limited acquired the audit practice of Levy Gee and in accordance with section 26 of the Companies Act 1989 has been appointed as auditors in succession. On 2 July 2002 AV Audit Limited changed its name to HLB AV Audit plc. In accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



P M Hargraves

Director

219/2002

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# EUROPA FACILITY SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EUROPA FACILITY SERVICES LIMITED

We have audited the financial statements of Europa Facility Services Limited on pages 4 to 12 for the year ended 31 December 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

### Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*HLB AV Audit plc*

HLB AV Audit plc

*3/10/2002*

Registered Auditor

66 Wigmore Street  
London  
W1U 2HQ

# EUROPA FACILITY SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

	Notes	2001 £	2000 £
Turnover	2	5,084,873	4,030,872
Cost of sales		(4,109,674)	(3,048,764)
<b>Gross profit</b>		<u>975,199</u>	<u>982,108</u>
Distribution costs		(46,097)	(28,862)
Administrative expenses		(943,320)	(886,453)
<b>Operating (loss)/profit</b>	3	<u>(14,218)</u>	<u>66,793</u>
Other interest receivable and similar income		18,777	25,259
Interest payable and similar charges	4	(175)	(965)
<b>Profit on ordinary activities before taxation</b>		<u>4,384</u>	<u>91,087</u>
Tax on profit on ordinary activities	5	(284)	(15,212)
<b>Profit on ordinary activities after taxation</b>	11	<u><u>4,100</u></u>	<u><u>75,875</u></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.

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# EUROPA FACILITY SERVICES LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2001

	Notes	2001 £	£	2000 £	£
<b>Fixed assets</b>					
Tangible assets	6		113,817		78,087
<b>Current assets</b>					
Debtors	7	1,327,211		965,203	
Cash at bank and in hand		397,388		695,270	
		<u>1,724,599</u>		<u>1,660,473</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(1,610,780)</u>		<u>(1,515,024)</u>	
<b>Net current assets</b>			113,819		145,449
<b>Total assets less current liabilities</b>			<u>227,636</u>		<u>223,536</u>
<b>Capital and reserves</b>					
Called up share capital	10		4,400		4,400
Profit and loss account	11		223,236		219,136
<b>Shareholders' funds - equity interests</b>	12		<u>227,636</u>		<u>223,536</u>

The financial statements were approved by the Board on 2/9/2002

M H Jones  
Director

P M Hargraves  
Director

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# EUROPA FACILITY SERVICES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2001

	2001		2000	
	£	£	£	£
<b>Net cash (outflow)/inflow from operating activities</b>		(221,680)		323,657
<b>Returns on investments and servicing of finance</b>				
Interest received	18,777		25,259	
Interest paid	(175)		(965)	
	<u>          </u>		<u>          </u>	
<b>Net cash inflow for returns on investments and servicing of finance</b>		18,602		24,294
<b>Taxation</b>		(15,496)		(5,273)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(79,308)		(64,544)	
	<u>          </u>		<u>          </u>	
<b>Net cash outflow for capital expenditure</b>		(79,308)		(64,544)
		<u>          </u>		<u>          </u>
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(297,882)		278,134
		<u>          </u>		<u>          </u>
<b>(Decrease)/increase in cash in the year</b>		<u>(297,882)</u>		<u>278,134</u>

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# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2001

1	Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities	2001 £	2000 £
	Operating (loss)/profit	(14,218)	66,793
	Depreciation of tangible assets	43,578	17,934
	Increase in debtors	(362,008)	(704,277)
	Increase in creditors within one year	110,968	944,209
	Transfer of fixed assets from group company	-	(1,002)
	<b>Net cash (outflow)/inflow from operating activities</b>	<b>(221,680)</b>	<b>323,657</b>

2	Analysis of net funds	1 January 2001 £	Cash flow £	Other non-cash changes £	31 December 2001 £
	Net cash:				
	Cash at bank and in hand	695,270	(297,882)	-	397,388
	Net funds	695,270	(297,882)	-	397,388

3	Reconciliation of net cash flow to movement in net funds	2001 £	2000 £
	(Decrease)/increase in cash in the year	(297,882)	278,134
	<b>Movement in net funds in the year</b>	<b>(297,882)</b>	<b>278,134</b>
	Opening net funds	695,270	417,136
	<b>Closing net funds</b>	<b>397,388</b>	<b>695,270</b>

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# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

### 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 accounting standards.

#### 1.3 Turnover

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

#### 1.4 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% per annum
Plant and machinery	rates varying from 20% - 33% per annum
Motor vehicles	25% per annum

#### 1.5 Leasing

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

#### 1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

### 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 (loss)/profit

	2001	2000
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	43,578	17,934
Operating lease rentals	121,513	86,992
Auditors' remuneration	4,750	7,000
	<u>169,841</u>	<u>111,926</u>

### 4 Interest payable

	2001	2000
	£	£
On bank loans and overdrafts	175	965
	<u>175</u>	<u>965</u>

# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2001

5	Taxation	2001 £	2000 £
	Domestic current year tax		
	U.K. corporation tax	-	15,212
	Adjustment for prior years	284	-
	<b>Current tax charge</b>	<b>284</b>	<b>15,212</b>

6	Tangible fixed assets	Land and buildings Leasehold £	Plant and machinery £	Motor vehicles £	Total £
	<b>Cost</b>				
	At 1 January 2001	1,446	114,956	-	116,402
	Additions	5,650	67,433	6,225	79,308
	Disposals	-	(6,938)	-	(6,938)
	At 31 December 2001	7,096	175,451	6,225	188,772
	<b>Depreciation</b>				
	At 1 January 2001	385	37,930	-	38,315
	On disposals	-	(6,938)	-	(6,938)
	Charge for the year	605	40,298	2,675	43,578
	At 31 December 2001	990	71,290	2,675	74,955
	<b>Net book value</b>				
	At 31 December 2001	6,106	104,161	3,550	113,817
	At 31 December 2000	1,061	77,026	-	78,087

7	Debtors	2001 £	2000 £
	Trade debtors	1,160,001	895,756
	Amounts owed by parent and fellow subsidiary undertakings	9,016	-
	Other debtors	158,194	69,447
		<b>1,327,211</b>	<b>965,203</b>

# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2001

8	Creditors: amounts falling due within one year	2001 £	2000 £
	Trade creditors	641,513	516,925
	Amounts owed to parent and fellow subsidiary undertakings	-	119,777
	Corporation tax	-	15,212
	Other taxes and social security costs	198,869	171,037
	Other creditors	284,806	236,959
	Accruals and deferred income	485,592	455,114
		<u>1,610,780</u>	<u>1,515,024</u>

### 9 Pension costs

#### Defined contribution

	2001 £	2000 £
Contributions payable by the company for the year	<u>1,797</u>	<u>270</u>

### 10 Share capital

#### Authorised

	2001 £	2000 £
250,000 Ordinary shares of £ 1 each	<u>250,000</u>	<u>250,000</u>

#### Allotted, called up and fully paid

	2001 £	2000 £
4,400 Ordinary shares of £ 1 each	<u>4,400</u>	<u>4,400</u>

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

	Profit and loss account £
Balance at 1 January 2001	219,136
Retained profit for the year	4,100
Balance at 31 December 2001	<u>223,236</u>

# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2001

12 Reconciliation of movements in shareholders' funds	2001 £	2000 £
Profit for the financial year	4,100	75,875
Opening shareholders' funds	223,536	147,661
Closing shareholders' funds	227,636	223,536

### 13 Financial commitments

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2001 £	2000 £	2001 £	Other 2000 £
Expiry date:				
Within one year	-	-	1,459	22,183
Between two and five years	-	12,200	102,179	88,526
In over five years	55,249	31,880	-	-
	55,249	44,080	103,638	110,709

### 14 Transactions with directors

The following directors had overdrawn interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding 2001 £	2000 £	Maximum in year £
MH Jones	297	179	100,268
PM Hargraves	132	61	132

There were amounts paid in the year amounting to £14,500 to Mrs L Jones, the wife of MH Jones, a director, in respect of computer services. There are no amounts due to L Jones at the balance sheet date.

There was also a payment of a rent deposit to MH Jones and L Jones, for £50,000 during the year. This was paid when the director and his wife acquired the leasehold of a property occupied by Europa Facility Services Limited. This amount is still held at the balance sheet date. Rent is payable on this property by the company of £16,000 per annum.

# EUROPA FACILITY SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2001

### 15 Employees

#### Number of employees

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

	2001 Number	2000 Number
Direct labour	345	227
Administrative staff	12	3
	<u>357</u>	<u>230</u>

#### Employment costs

	£	£
Wages and salaries	2,418,490	1,493,829
Social security costs	143,336	89,630
Other pension costs	1,797	270
	<u>2,563,623</u>	<u>1,583,729</u>

### 16 Control

The ultimate parent undertaking is Europa Facility Holdings Limited, a company registered in England.

The ultimate controlling party is MH Jones a director of the company.

### 17 Related party transactions

In the year there were management charges payable of £260,000 (2000: £117,370) to Europa Facility Holdings Limited, the ultimate parent company. At the balance sheet date there was an amount receivable to Europa Facility Holdings Limited of £9,016 (2000: Payable £119,777).