

Company Registration No. 1027001 (England and Wales)

EUROPA FACILITY SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

LEVY GEE



EUROPA FACILITY SERVICES LIMITED

COMPANY INFORMATION

Directors	M H Jones P M Hargraves
Secretary	P M Hargraves
Company number	1027001
Registered office	Gate House Fretherne Road Welwyn garden City, Herts AL8 6RD
Auditors	Levy Gee 66 Wigmore Street London W1U 2HQ
Bankers	National Westminster Bank Plc PO Box 399 40 Whitgift Centre Croydon Surrey CR9 3QB

EUROPA FACILITY SERVICES LIMITED

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EUROPA FACILITY SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

The directors present their report and financial statements for the year ended 31 December 2000.

Principal activities

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

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 2000:

M H Jones

P M Hargraves

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 December 2000	1 January 2000
M H Jones	-	-
P M Hargraves	-	-

The directors have no beneficial interest in the share 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.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Levy Gee be reappointed as auditors of the company will be put to the Annual General Meeting.

EUROPA FACILITY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2000**

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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



P M Hargraves

Director

18 May 2001

EUROPA FACILITY SERVICES LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF EUROPA FACILITY SERVICES LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Levy Gee

Registered Auditor

12/6/01

66 Wigmore Street
London
W1U 2HQ

EUROPA FACILITY SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	Notes	2000 £	1999 £
Turnover		4,030,872	2,351,443
Cost of sales		(3,048,764)	(1,854,747)
Gross profit		<u>982,108</u>	<u>496,696</u>
Distribution costs		(28,862)	(45,411)
Administrative expenses		(886,453)	(557,213)
Other operating income		-	147,985
Operating profit	2	<u>66,793</u>	<u>42,057</u>
Other interest receivable and similar income	3	25,259	5,244
Interest payable and similar charges	4	(965)	(881)
Profit on ordinary activities before taxation		<u>91,087</u>	<u>46,420</u>
Tax on profit on ordinary activities	5	(15,212)	(5,273)
Profit on ordinary activities after taxation	11	<u><u>75,875</u></u>	<u><u>41,147</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.

EUROPA FACILITY SERVICES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	6		78,087		30,475
Current assets					
Debtors	7	510,089		260,926	
Cash at bank and in hand		695,270		417,136	
		<u>1,205,359</u>		<u>678,062</u>	
Creditors: amounts falling due within one year	8	<u>(1,059,910)</u>		<u>(560,876)</u>	
Net current assets			145,449		117,186
Total assets less current liabilities			<u>223,536</u>		<u>147,661</u>
Capital and reserves					
Called up share capital	10		4,400		4,400
Profit and loss account	11		219,136		143,261
Shareholders' funds - equity interests	12		<u>223,536</u>		<u>147,661</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 18 May 2001

M H Jones
Director



P M Hargraves
Director



EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

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 from the requirement to produce a cashflow statement on the grounds that it is a small company.

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 and hire purchase commitments

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 Operating profit	2000 £	1999 £
Operating profit is stated after charging:		
Depreciation of tangible assets	17,934	14,213
Operating lease rentals	86,992	87,667
Auditors' remuneration	7,000	4,570
	<u> </u>	<u> </u>
3 Other interest receivable and similar income	2000 £	1999 £
Bank interest	25,259	5,244
	<u> </u>	<u> </u>

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

4	Interest payable	2000	1999
		£	£
	On bank loans and overdrafts	965	616
	Hire purchase interest	-	265
		<u>965</u>	<u>881</u>
5	Taxation	2000	1999
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 20% (1999- 20%)	15,212	5,273
		<u>15,212</u>	<u>5,273</u>
6	Tangible fixed assets		
		Land and buildings Leasehold	Plant and machinery
		£	£
	Cost		
	At 1 January 2000	1,446	83,086
	Inter - group transfers	-	1,931
	Additions	-	64,544
	Disposals	-	(34,605)
		<u>1,446</u>	<u>114,956</u>
	At 31 December 2000	1,446	114,956
	Depreciation		
	At 1 January 2000	96	53,961
	Inter - group transfers	-	929
	On disposals	-	(34,605)
	Charge for the year	289	17,645
		<u>385</u>	<u>37,930</u>
	At 31 December 2000	385	37,930
	Net book value		
	At 31 December 2000	1,061	77,026
		<u>1,061</u>	<u>77,026</u>
	At 31 December 1999	1,350	29,125
		<u>1,350</u>	<u>29,125</u>

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

7 Debtors	2000 £	1999 £
Trade debtors	440,642	202,229
Other debtors	69,447	58,697
	<u>510,089</u>	<u>260,926</u>

8 Creditors: amounts falling due within one year	2000 £	1999 £
Trade creditors	516,925	260,328
Amounts owed to group undertakings and undertakings in which the company has a participating interest	119,777	148,251
Taxation and social security	186,249	58,392
Other creditors	236,959	93,905
	<u>1,059,910</u>	<u>560,876</u>

The following securities are held by the bank:

- 1) A mortgage debenture dated 6 December 1991, incorporating a fixed and floating charge over all the assets of the company.
- 2) M Jones and P Hargraves, directors of the holding company; Europa Facility Holdings Limited, and A Stanley, a former director, have given a personal guarantee of £90,000.
- 3) A composite cross guarantee between the three companies within the group and the former fellow subsidiary, The Food Mountain Limited.

9 Pension costs

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 and amounted to £270 (1999- £490).

10 Share capital	2000 £	1999 £
Authorised		
250,000 Ordinary shares of £ 1 each	<u>250,000</u>	<u>250,000</u>
Allotted, called up and fully paid		
4,400 Ordinary shares of £ 1 each	<u>4,400</u>	<u>4,400</u>

EUROPA FACILITY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2000	143,261
Retained profit for the year	75,875
Balance at 31 December 2000	219,136

12 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the financial year	75,875	41,147
Opening shareholders' funds	147,661	106,514
Closing shareholders' funds	223,536	147,661

13 Financial commitments

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2000 £	1999 £	2000 £	1999 £
Expiry date:				
Within one year	-	-	22,183	17,435
Between two and five years	12,200	12,200	88,526	19,071
In over five years	31,880	31,840	-	414
	44,080	44,040	110,709	36,920

14 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.