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Penauille Servisair UK Limited (formerly Servisair (UK) Limited)

Directors' report and financial statements

Registered number 509585

30 September 2006

Contents

Directors and Advisors

Directors

A El Aoufir	(appointed 12 September 2006)
G Morgan	
K Lacan	(appointed 1 November 2006, resigned 15 March 2007)
D Kershaw	(appointed 15 March 2007)

Secretary

N Popat
Atlantic House
Simonsway
Manchester
M22 5PR

Auditors

PricewaterhouseCoopers LLP
101 Barbirolli Square
Manchester
M2 3PW

Bankers

Barclays Bank plc
Barclays Business Centre
PO Box 544
54 Lombard Street
London
EC3V 9EX

Registered Office

Atlantic House
Simonsway
Manchester
M22 5PR

Registered Number

509585

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2006

Principal activities and business review

The Company continued to trade as an airport passenger ground handling and cargo handling agent The directors consider that the Company has traded satisfactorily and anticipate that this will continue

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend (2005 £nil) The retained profit for the period of £4,506,019 (*2005 £2,367,549*) has been taken to reserves

Change of Company Name

On 1 February 2006 the Company changed its name from Servisair (UK) Limited to Penauille Servisair UK Limited

Acquisitions

On 30 September 2006, the Company acquired the trade and assets of Globeground Manchester Limited The net book value of the assets & liabilities acquired and the resulting goodwill is shown in note 9 to the accounts

Directors and directors' interests

The directors who held office during the period were as follows

A El Aoufir	- appointed 12 September 2006
G Morgan	
J Guérin	- resigned 23 October 2006
M Behar	- appointed 4 November 2005, resigned 1 December 2006
K Lacan	- appointed 1 November 2006, resigned 15 March 2007
D Kershaw	- appointed 15 March 2007

None of the directors who held office at the end of the financial period had any disclosable interest in the shares of the Company

Employees

Disabled persons are employed and trained whenever their aptitudes and abilities allow, subject to any overriding consideration of access and safety at the workplace Where any employee becomes disabled during the period of their employment with the Company, retraining and continued employment is arranged wherever practicable

Arrangements exist whereby the Company's representatives may meet regularly with employees' representatives who are able to enquire of matters of concern to them as employees, and may express their views on matters likely to affect their interests Such meetings also enable the company to seek to make employees aware of the financial and economic factors affecting the performance of relevant areas of the Company The Company does not operate an employee share scheme

Directors' report *(continued)*

Auditors

The directors in office individually confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and that each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Following a change to the auditors of the group from KPMG LLP to PriceWaterhouseCoopers LLP ("PwC"), KPMG LLP resigned as auditors, and PwC were appointed as auditors of the company on 18 October 2006

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

By order of the board

Atlantic House
Atlas Business Park
Simonsway
Manchester
M22 5PR

A El Aoufir
Director

10 May 2007

Operating and Financial Review

Business review

The Company trades as an airport passenger ground handling and cargo handling agent The results for the company show a pre-tax profit of £4,506,000 for the year (9 months ended 30 September 2005 £2,368,000), and sales of £177,326,000 (2005 £131,233,000) The company has net debt of £16,033,000 (2005 £18,738,000)

A key development during the year was the opening of our London Heathrow cargo facility in July 2006 This will handle 100,000 tonnes of air freight per annum, generating revenue of approximately £8 8m The results for the year are net of associated start-up costs

The UK aviation industry is rapidly changing and we expect 2007 to be a year of consolidation within our customer base We remain confident we will maintain our current level of performance in a competitive market

The directors of Penauille Polyservices SA manage the group's operations on a divisional basis For this reason, the Company's directors believe that analysis using key performance indicators for the company on a stand-alone basis is not necessary or appropriate for an understanding of the development, performance or position of the business of Penauille Servisair UK Ltd The development, performance and position of the Aviation division of Penauille Polyservices SA, which includes the company, is discussed in the group's annual report which does not form part of this report

Risks and uncertainties

It is the aim of the directors to increase risk awareness across the company and promote a culture where both risk and opportunity are identified and managed The company seeks to mitigate impacts or reduce the likelihood of major risk events, where practicable, and to transfer risk to insurers where cost effective

The principle risks that have been identified fall into the following categories

External Risks

Competition – The company operates in very competitive markets, and there is the risk that product innovation or cheaper labour costs may enable under-cutting of existing prices Previously airport operating licences limiting service alternatives at each airport minimised this risk, but this is increasingly less of a barrier to entry The company spends considerable resources on continuously improving productivity and unit labour costs, and further adoption of new planning and rostering systems is in progress

Customer Liquidity – Our main customers are airlines, and although many airlines have recently been reporting profits, liquidity remains a problem and there is considerable risk of a major customer seeking creditor protection A strong culture of treasury management within the company ensures that exposure is limited as far as possible, although risk transfer through credit risk insurance is not deemed cost effective

Possible terrorist action – Demand for our services (by airlines) is driven primarily by economic prosperity, which tends to be adversely affected by terrorism However, as the bulk of costs are labour related, maintaining an element of temporary staffing allows a significant degree of flexibility to allow for such occurrences

Airline Alliances changes – There are three main airline alliances in our areas of operation - One World, Sky Team and Star Alliance, and there is significant risk that airlines joining an alliance will use a partner's ground handling services at hub locations This risk is mitigated in part by the number of locations in which the business operates

Internal Risks

Health and Safety Breaches – Airside operations are inherently hazardous, and it is only through having operating procedures that in many cases exceed industry standards, aided by recurrent training and on-going internal audit that Servisair is able to maintain reasonable levels of residual risk

Airframe damage – Although incidences are few, the company strives to eradicate aircraft damage through a process of continuous improvement Recurrent training is conducted with more rigor than industry standards dictate to minimise occurrences and most contracts with airlines include the standard IATA liability limits For the rest, extensive insurance cover is available to mitigate the impact

Inability to supply – Failure to deliver to contractual commitments is a risk, and good relations with the trade unions are actively managed locally While the impact is again diminished by the large number of airports operated in, limited business continuity plans are also in place

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

Company law requires the directors to prepare financial statements for each financial year that 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 The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business

The directors confirm that suitable accounting policies have been used and applied consistently in the preparation of the financial statements They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 September 2006 and that applicable accounting standards have been followed

The directors are responsible for keeping proper accounting records that 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 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

Independent auditors' report to the members of Penauille Servisair UK Limited

We have audited the financial statements of Penauille Servisair UK Limited for the year ended 30 September 2006 which comprise the profit and loss account, the balance sheet and the related notes These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors
The Company's directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), as 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) This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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 transactions is not disclosed

We read the directors' report and operating and financial review 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 30 September 2006 and of its 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 and operating and financial review is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Manchester

10 May 2007

Profit and loss account

for the year ended 30 September 2006

	Note	Year ended 30 September 2006 £000	£000	9 months ended 30 September 2005 £000	£000
Turnover	2		177,326		131,233
Cost of goods bought for resale		(499)		(332)	
Staff costs	4 5	(111,812)		(80,297)	
Depreciation and other amounts written off tangible and intangible fixed assets	8,9	(4,386)		(3,134)	
Amounts written off inter-company balances		-		(526)	
Other operating charges		(54,648)		(42,445)	
			(171,345)		(126,734)
Operating profit			5,981		4,499
Interest payable and similar charges	6		(1,475)		(2,131)
Profit on ordinary activities before taxation	3		4,506		2,368
Tax on profit on ordinary activities	7		-		-
Profit for the financial year	17		4,506		2,368
Profit and loss account brought forward			12,217		9,849
Profit and loss account carried forward			16,723		12,217

The notes of pages 10 to 20 form part of these financial statements

The result on ordinary activities before taxation is derived from continuing operations

There are no recognised gains or losses other than the profit for the year and the previous period

Balance sheet
at 30 September 2006

	Note	**30 September 2006**		30 September 2005	
		£000	**£000**	£000	£000
Fixed assets					
Intangible assets	*9*		**3,581**		3,849
Tangible assets	*8*		**16,127**		12,857
Investments	*10*		**1**		1
			19,709		16,707
Current assets					
Stock	*11*	**87**		223	
Debtors	*12*	**53,821**		48,976	
Cash at bank and in hand		**39**		38	
		53,947		49,237	
Creditors: amounts falling due within one year	*13*	**(52,379)**		(51,305)	
Net current assets/(liabilities)			**1,568**		(2,068)
Total assets less current liabilities			**21,277**		14,639
Creditors: amounts falling due after more than one year	*14*		**(4,044)**		(1,912)
Net assets			**17,233**		12,727
Capital and reserves					
Called up share capital	*15*		**10**		10
Share premium account	*16*		**500**		500
Profit and loss account			**16,723**		12,217
Equity shareholders' funds	*17*		**17,233**		12,727

These financial statements were approved by the board of directors on 10 May 2007 and were signed on its behalf by

A El Aoufir
Director

Notes

(forming part of the financial statements)

1 Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the UK The principal accounting policies, which have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements, are set out below

Basis of preparation

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts These financial statements present information about the Company as an individual undertaking and not about its group The consolidated financial statements of the ultimate parent company, CFF Recycling SA, within which this Company is included, can be obtained from 119 avenue du Genéral Michel BIZOT, 75012 Paris

Under Financial Reporting Standard 1, revised 1996, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of Penauille Servisair plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Airport equipment	-	4 to 10 years
Furniture and fittings	-	4 years
Computers	-	3 years

Intangible fixed assets and amortisation

Purchased goodwill and goodwill arising on the acquisition of trade and assets are capitalised and amortised in equal instalments over an estimated life of 20 years

Investments

Investments in subsidiary companies are recorded at cost less any provisions for impairment Where circumstances indicate that there may have been an impairment of the carrying value of an investment, an impairment review is carried out using projected future cashflows, to determine whether these appropriately support the carrying value of the investment To the extent that there is a shortfall, this is charged to the profit and loss account

Turnover

Turnover represents the amounts (excluding value added tax, cash discounts and commissions) derived from the provision of goods and services to third party customers during the year Revenue is recognised in the period in which services are provided

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Notes *(continued)*

1 Accounting policies *(continued)*

Leases

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease in treated as a 'finance lease' The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter Future instalments under such leases, net of finance charges, are included with creditors Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduced the outstanding obligation for future instalments

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease

Pensions and other post-retirement benefits

The Company participates in a pension scheme which provides benefits based on final pensionable pay This scheme is closed to new members The assets of the scheme are held separately from those of the Company The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17, "Retirement Benefits", accounts for the scheme as if it were a defined contribution scheme As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

The Company also participates in a defined contribution scheme The cost charged to the profit and loss account in respect of this scheme also represents contributions payable to the scheme in respect of the accounting period

Stock

Stock is stated at the lower of cost and net realisable value

Trade Debtors

Trade Debtors are recognised at recoverable value A specific provision for bad debts is made when there is evidence the Company will not be able to collect all amounts due All provisions are reviewed periodically and are adjusted to reflect the best current estimate

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 In particular, a deferred tax asset is only recognised in relation to tax losses to the extent that the directors are reasonably certain that future economic benefit will be derived from these losses

2 Turnover

The Company's turnover was derived from its principal activities, wholly undertaken within the United Kingdom

Notes *(continued)*

3 Profit on ordinary activities before taxation

	Year ended 30 September 2006 £000	9 months to 30 September 2005 £000
Profit on ordinary activities before taxation is stated after charging		
Net (gains)/ losses on foreign currency transactions	**(220)**	11
Loss on disposal of fixed assets	**20**	70
Fees paid to the Auditor and its associates		
- audit	**59**	74
- other services	**-**	43
Depreciation charge for the period		
- intangible fixed assets	**417**	313
- tangible fixed assets	**3,186**	1,870
- tangible fixed assets held under finance leases	**783**	951
Hire of plant and machinery – rentals payable under operating leases	**958**	1,362
Hire of other assets – rentals payable under operating leases	**7,384**	6,486

4 Remuneration of directors

	2006 £000	2005 £000
Aggregate emoluments	**174**	122

The aggregate of emoluments of the highest paid director was £174,132 *(2005 £122,000)*

	Number of directors 2006	2005
Retirement benefits are accruing to the following number of directors under		
Defined benefit schemes	**-**	1

5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows

	Number of employees 2006	2005
Operations	**5,532**	5,244
Administration	**149**	153
	5,681	5,397

Notes *(continued)*

The aggregate payroll costs of these persons were as follows

	Year ended 30 September 2006 £000	9 months to 30 September 2005 £000
Wages and salaries	100,260	72,854
Social security costs	8,574	6,043
Other pension costs	2,978	1,400
	111,812	80,297

6 Interest payable and similar charges

	Year ended 30 September 2006 £000	9 months to 30 September 2005 £000
On bank loans and overdrafts	1,116	795
Charges payable in respect of finance leases	359	360
Exceptional charges payable in respect of finance leases	-	976
	1,475	2,131

The exceptional finance lease interest charge represents an additional charge required to value finance lease liabilities at the balance sheet date

7 Taxation

	Year ended 30 September 2006 £000	9 months to 30 September 2005 £000
Current tax reconciliation		
Profit on ordinary activities before tax	4,506	2,368
Current tax at 30% *(2005 30%)*	1,352	710
Effects of		
Expenses not deductible for tax purposes	155	272
Capital allowances for period in excess of depreciation	(229)	(457)
Utilisation of loss brought forward	(171)	-
Group relief	(1,107)	(525)
	-	-

There were no tax losses carried forward at 30 September 2006 (2005 £568,000)

Notes *(continued)*

8 Tangible fixed assets

	Airport equipment £000	Fixtures and fittings £000	Computers £000	Total £000
Cost				
At 30 September 2005	43,833	6,044	6,615	56,492
Additions	4,598	1,118	1,490	7,206
Disposals	(826)	-	-	(826)
Transfers from inter-company	-	60	-	60
At 30 September 2006	**47,605**	**7,222**	**8,105**	**62,932**
Depreciation				
At 30 September 2005	33,665	4,485	5,485	43,635
Charge for period	2,785	652	532	3,969
Disposals	(806)	-	-	(806)
Transfers from inter-company	-	7	-	7
At 30 September 2006	**35,644**	**5,144**	**6,017**	**46,805**
Net book value				
At 30 September 2006	**11,961**	**2,078**	**2,088**	**16,127**
At 30 September 2005	10,168	1,559	1,130	12,857

The net book value of airport equipment includes an amount of £7,344,022 (*2005 £4,197,989*) and a depreciation charge for the period of £783,461 (*2005 £950,780*) in respect of assets held under finance leases

9 Intangible fixed assets

	£000
Cost	
At 30 September 2005	8,332
Additions	149
At 30 September 2006	**8,481**
Amortisation	
At 30 September 2005	4,483
Charge for period	417
At 30 September 2006	**4,900**
Net book value	
At 30 September 2006	**3,581**
At 30 September 2005	3,849

Notes *(contınued)*

On 30 September 2006, the Company acquıred the trade and assets of Globeground Manchester Lımıted, a group Company tradıng as an aırport passenger ground handlıng agent, for a consıderatıon of £1 The analysıs of the net lıabılıtıes acquıred and the resultıng goodwıll ıs as follows

	Book and Faır Value £000
Tangıble fixed assets	265
Trade debtors	503
Other debtors	404
Cash at bank	395
Trade credıtors	(291)
Other credıtors	(1,425)
Net lıabılıtıes acquıred	(149)
Consıderatıon	-
Goodwıll arısıng on acquısıtıon	149

10 Fixed asset investments

	Shares ın subsıdıary undertakıngs £000
Net book value	
As at 30 September 2005 & 30 September 2006	1

The Company's ınvestments comprıse the entıre ordınary share capıtal of the followıng companıes

Subsıdıary undertakıng	**Country of ıncorporatıon**	**Proportıon of shares %**
Servısaır (Contract Handlıng) Lımıted	England and Wales	100
Aırway Handlıng Lımıted	England and Wales	100
Servısaır (Ground Handlıng) Lımıted	England and Wales	100*
Servısaır (Group) Lımıted	England and Wales	100

*ındırectly held

The followıng dırectly held subsıdıary was lıquıdated on 15 August 2006 Servısaır (Gatwıck) Lımıted

Servısaır (Ground Handlıng) Lımıted and Servısaır (Group) Lımıted were lıquıdated on 20 February 2007 and 13 February 2007 respectıvely

Notes *(contınued)*

11 Stock

	30 September 2006 £000	30 September 2005 £000
Raw materıals and consumables	**40**	54
Unıforms	**47**	169
	87	223

12 Debtors

	30 September 2006 £000	30 September 2005 £000
Trade debtors	**23,606**	22,623
Amounts owed by parent and fellow subsıdıary undertakıngs	**20,987**	16,864
Other debtors	**1,366**	630
Prepayments and accrued ıncome	**7,862**	8,859
	53,821	48,976

Notes (continued)

13 Creditors: amounts falling due within one year

	30 September 2006 £000	30 September 2005 £000
Bank loans and overdrafts	**10,473**	14,710
Obligations under finance leases	**1,555**	2,154
Trade creditors	**12,177**	10,004
Amounts owed to parent and fellow subsidiary undertakings	**1,610**	1,556
Other creditors including taxation and social security		
Other taxes and social security costs	**3,548**	2,987
Other creditors	**958**	1,563
Accruals and deferred income	**22,058**	18,331
	52,379	51,305

14 Creditors: amounts falling due after more than one year

	30 September 2006 £000	30 September 2005 £000
Obligations under finance leases		
Repayable		
Within one year	**1,555**	2,154
Between one and two years	**1,079**	858
Between two and five years	**2,241**	833
In more than five years	**724**	222
	5,599	4,066
Less amounts falling due within one year	**(1,555)**	(2,154)
	4,044	1,912

15 Called up share capital

	30 September 2006 £'000	30 September 2005 £ 000
Authorised		
10,100 Ordinary Shares of £1 each	**10**	10
Allotted and fully paid		
10,100 Ordinary Share of £1 each	**10**	10

Notes *(continued)*

16 Share premium account

	30 September 2006 £000	30 September 2005 £000
Share premium	**500**	500

17 Reconciliation of movements in shareholders' funds

	30 September 2006 £000	30 September 2005 £000
Opening shareholders' funds	**12,727**	10,359
Retained profit for the financial period	**4,506**	2,368
Closing shareholders' funds	**17,233**	12,727

Notes (continued)

18 Commıtments

a) There were no capıtal commıtments at the end of the financıal perıod

b) Annual commıtments under non-cancellable operatıng leases are as follows

	30 September 2006		30 September 2005	
	Land and buıldıngs	**Other**	Land and buıldıngs	Other
	£000	**£000**	£000	£000
Operatıng leases whıch expıre				
Wıthın one year	**-**	**430**	-	962
In the second to fifth years ınclusıve	**-**	**1,073**	-	854
Over five years	**8,951**	**-**	8,649	-
	8,951	**1,503**	8,649	1,816

On 17 December 2003, Barclays Bank plc obtaıned fixed and floatıng charges over all the property and assets of Penauılle Servısaır UK Lımıted for the amounts owıng to Barclays Bank plc

19 Pensıon scheme

The defined benefit sectıon of the Servısaır Pensıon Scheme ıs closed to new employees of the company A full actuarıal valuatıon was carrıed out at 5 Aprıl 2005 by the Scheme Actuary

The projected unıt method was adopted for the last valuatıon of the plan Assets were valued at market value The maın actuarıal assumptıons used ın the valuatıon for accountıng purposes were

Investment return	6 5% p a pre retırement
	5 5% p a post retırement
Salary growth	4 0% p a
Prıce ınflatıon	3 0% p a
Pensıon ıncrease	3 0% p a

The avaılable assets represented 69% of the ongoıng lıabılıtıes of the plan based on assets wıth a market value totallıng £41 42m at the valuatıon date

The Employer's contrıbutıons are affected by the deficıt ın the Scheme but each Employer wıthın the Group ıs unable to ıdentıfy ıts share of the underlyıng assets and lıabılıtıes ın the Scheme on a consıstent and reasonable basıs The Group ıs therefore accountıng for the cost of the Scheme as ıf ıt were a defined contrıbutıon scheme

Contrıbutıons paıd for the defined benefit Scheme by the Group durıng the accountıng perıod totalled £3,191,098 (*2005 £1,647,000*) Full accountıng dısclosures ın respect of the Scheme are provıded ın the accounts of Penauılle Polyservıces SA, ın accordance wıth IAS 19 Followıng the actuarıal valuatıon as at 5 Aprıl 2005, the Group has agreed to meet the fundıng deficıt of £18 8 mıllıon by makıng annual fixed payments of £1 58 mıllıon over a perıod of 15 years

The group also operates a defined contrıbutıon scheme The charge for the scheme represents contrıbutıons payable by the group to the scheme and amounted to £884,533 (2005 £360,381) At the balance sheet date £116,289 of contrıbutıons were outstandıng (2005 £42,776)

Notes *(continued)*

20 Parent company

Penauille Servisair UK Limited is a wholly owned subsidiary of Penauille Servisair plc (formerly Servisair plc), which is registered in England and Wales The company's ultimate parent company is CFF Recycling SA, a company registered in France The results of Penauille Servisair UK Limited are consolidated in the group accounts of Penauille Polyservices SA, which may be obtained from 119 avenue du Général Michel BIZOT, 75012 Paris, and also in the group accounts of CFF Recycling SA, which may also be obtained from 119 avenue du Général Michel BIZOT, 75012 Paris