

**POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)**

Company Number 5018899

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2007

PKF (UK) LLP

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**POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)**

COMPANY INFORMATION

Directors	Brian Haley Matthew McGeehan Nigel Middleton David Sargent Ian Sexton
Secretary	Matthew McGeehan
Company Number	5018899
Registered Office	EcoPark Advent Way Edmonton London N18 3AG
Auditors	PKF (UK) LLP Farringdon Place 20 Farringdon Road London EC1M 3AP

POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)

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POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2007

The directors present their report and the financial statements of the company for the year ended 31 December 2007

RESULTS AND DIVIDENDS

The profit for the year after taxation and before exceptional items was £657,209 (2006 profit of £1,107,443) The company was acquired by Polkacrest Limited on 16th February, 2007 and the intercompany indebtedness owed by the former parent company BFH Group Limited at that date was written off as an exceptional item as part of the acquisition transaction

The loss for the year, after taxation and exceptional item, amounted to £468,828 (2006 profit of £1,107,443) The directors have not recommended a dividend

REVIEW OF THE BUSINESS

The principal activity of the company is the collection, transportation and incineration of clinical waste The integration of the company into the Polkacrest Group has provided opportunities for optimising revenue and gaining operating efficiencies

On 1 January 2007 all trading operations with the exception of the Wrexham plant were transferred to Sterile Technologies (Newcastle) Limited (formerly South West Energy Limited)

On 16 February 2007 the company was sold to Polkacrest Limited

On 19 November 2007 the company changed its name from Attero Services Limited to Polkacrest Wales Limited

Future developments

The company has now fully integrated into the Polkacrest group and it well placed to continue its development

Risks / KPI

The market for clinical disposal is strong and the directors are not aware of any risk to trading revenues Throughput volumes and other KPI's are satisfactory

DIRECTORS

The directors who served the company during the year were as follows

Mr F J M Ten Brink	(resigned 16 February 2007)
Mr S S Sacranie	(resigned 16 February 2007)
Mr P Simpson	(resigned 16 February 2007)
Mrs E Brandel	(resigned 16 February 2007)
Mr W D Blyde	(appointed 14 February 2007 and resigned 16 February 2007)
Mr M McGeehan	(appointed 16 February 2007)
Mr N R Middleton	(appointed 16 February 2007)
Mr B Haley	(appointed 16 February 2007)
Mr D G Sargent	(appointed 16 February 2007)
Mr I A Sexton	(appointed 16 February 2007)

FINANCIAL INSTRUMENTS

The company's policy is to finance working capital through retained earnings and through borrowings at prevailing market interest rates

The company does not actively use any other financial instruments as part of its financial risk management It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures

POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2007

PROVISION OF INFORMATION TO AUDITORS

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

This report was approved by the board on 20 June 2008 and signed on its behalf



MR M McGEEHAN
Director

POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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). The financial statements are required to 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 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 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.

POLKACREST WALES LIMITED (FORMERLY ATTERO SERVICES LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POLKACREST WALES LIMITED (FORMERLY ATTERO SERVICES LIMITED)

We have audited the financial statements of Polkacrest Wales Limited (formerly Attero Services Limited) for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are 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).

We report to you our opinion as to whether the financial statements give a true and fair view and have been 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 other transactions 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 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 judgments 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 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.

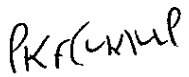
**POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)**

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 31 December 2007 and of its loss 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 is consistent with the financial statements


PKF (UK) LLP
Registered Auditors
London, UK
21 July 2008

POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2007

	<u>Notes</u>	Before exceptional item 2007 £	Exceptional item (note 4) 2007 £	Total 2007 £	Total 2006 £
Turnover					
Continuing operations	2	4,181,083	-	4,181,083	4,074,077
Discontinued operations		-	-	-	17,763,688
		<hr/>	<hr/>	<hr/>	<hr/>
		4,181,083	-	4,181,083	21,837,765
 Cost of sales	 3	 (2,729,276)	 -	 (2,729,276)	 (15,713,252)
		<hr/>	<hr/>	<hr/>	<hr/>
Gross profit		1,451,807	-	1,451,807	6,124,513
 Administrative expenses	 3	 (417,613)	 (1,126,037)	 (1,543,650)	 (4,298,135)
		<hr/>	<hr/>	<hr/>	<hr/>
Operating (loss) / profit	4				
Continuing operations		1,034,194	(1,126,037)	(91,843)	884,113
Discontinued operations		-	-	-	942,265
		<hr/>	<hr/>	<hr/>	<hr/>
		1,034,194	(1,126,037)	(91,843)	1,826,378
 Interest receivable	 7	 10,122	 -	 10,122	 1,688
Interest payable and similar charges	8	-	-	-	(188,189)
		<hr/>	<hr/>	<hr/>	<hr/>
(Loss) / profit on ordinary activities before taxation		1,044,316	(1,126,037)	(81,721)	1,639,877
 Tax	 10	 (387,107)	 -	 (387,107)	 (532,434)
		<hr/>	<hr/>	<hr/>	<hr/>
(Loss)/profit for the financial year	21	657,209	(1,126,037)	(468,828)	1,107,443
		<hr/>	<hr/>	<hr/>	<hr/>

The company has no recognised gains or losses other than the results for the year as set out above

The loss for the year on a historical costs basis was £133,828

POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
AS AT 31 DECEMBER 2007

	<u>2007</u> £	<u>2006</u> £
(Loss)/profit for the financial year	(468,828)	1,107,443
Revaluation (note 20)	150,000	-
Total recognised (losses)/ gains for the year	<u>(318,828)</u>	<u>1,107,443</u>

POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)

BALANCE SHEET
AS AT 31 DECEMBER 2007

	<u>Notes</u>	<u>2007</u> £	<u>2007</u> £	<u>2006</u> £	<u>2006</u> £
FIXED ASSETS					
Tangible assets	11		2,036,089		5,451,138
CURRENT ASSETS					
Stocks	12	89,489		383,942	
Debtors	13	1,062,812		7,176,126	
Cash at bank and in hand		378,538		451,085	
		<u>1,530,839</u>		<u>8,011,153</u>	
CREDITORS					
Amounts falling due within one year	14	(870,437)		(7,743,398)	
NET CURRENT ASSETS			<u>660,402</u>		<u>267,755</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,696,491</u>		<u>5,718,893</u>
CREDITORS					
Amounts falling due after more than one year	15		-		(2,432,006)
PROVISIONS FOR LIABILITIES			<u>2,696,491</u>		<u>3,286,887</u>
Deferred taxation	16		(24,620)		(296,188)
			<u>2,671,871</u>		<u>2,990,699</u>
CAPITAL AND RESERVES					
Called up equity share capital	19		100		100
Revaluation reserve	20		555,000		740,000
Profit and loss account	21		2,116,771		2,250,599
SHAREHOLDERS' FUNDS	22		<u>2,671,871</u>		<u>2,990,699</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 July 2008



MR M MCGEEHAN
Director

POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

1 PRINCIPAL ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards

The company is exempt from the requirement to draw up a cash flow statement in accordance with FRS1

(b) Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided and is recognised by reference to the stage of completion of the transaction at the balance sheet date. All turnover is recognised exclusive of VAT.

(c) Fixed assets

All fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

(d) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold buildings	- 20 years
Leasehold land and buildings	- 5-20 years or period of lease, if shorter
Fixed plant	- 5-20 years
Moveable plant	- 3-5 years
Motor vehicles	- 3-5 years

Freehold land is not depreciated.

(e) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(f) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

(g) Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

(h) Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

2 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	<u>2007</u> £	<u>2006</u> £
United Kingdom	<u>4,181,083</u>	<u>21,837,765</u>

3 ANALYSIS OF COST OF SALES AND NET OPERATING EXPENSES

	<u>Continuing</u> <u>operations</u> £	<u>Discontinued</u> <u>operations</u> £	<u>Total</u> £
Year ended 31 December 2007			
Cost of sales	2,729,276	-	2,729,276
Administrative expenses	1,543,650	-	1,543,650
Year ended 31 December 2006			
Cost of sales	2,682,227	13,031,025	15,713,252
Administrative expenses	507,737	3,790,398	4,298,135

Discontinued operations represent all of the company's previous trading operations (with the exception of the Wrexham plant) which were transferred at book value to another group company on 1 January 2007

4 OPERATING (LOSS) / PROFIT

Operating (loss) / profit is stated after charging

	<u>2007</u> £	<u>2006</u> £
Amortisation	-	342,963
Depreciation of owned fixed assets	165,196	883,946
Loss on disposal of fixed assets	-	9,794
Operating lease rentals		
- plant and machinery	19,540	362,023
Exceptional item	<u>1,126,037</u>	<u>-</u>

The exceptional item relates to the write off of intercompany indebtedness

POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

5 STAFF COSTS

Staff costs were as follows

	<u>2007</u> £	<u>2006</u> £
Wages and salaries	549,805	3,873,078
Social security costs	47,120	293,943
Other pension costs	-	3,100
	<u>596,925</u>	<u>4,170,121</u>

The average monthly number of persons employed by the company during the year was 29 (2006 196)

6 DIRECTORS' REMUNERATION

No directors received any emoluments (2006 Nil)

No director accrued benefits under company pension schemes (2006 Nil)

7 INTEREST RECEIVABLE

	<u>2007</u> £	<u>2006</u> £
Bank interest receivable	<u>10,122</u>	<u>1,688</u>

8 INTEREST PAYABLE

	<u>2007</u> £	<u>2006</u> £
Interest payable to group undertakings	<u>-</u>	<u>188,189</u>

9 AUDITORS' REMUNERATION

	<u>2007</u> £	<u>2006</u> £
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>10,000</u>	<u>-</u>

In 2006, auditors' remuneration was borne by the parent company

POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

10 TAXATION

(a) The charge for the year comprises:

	<u>2007</u> £	<u>2006</u> £
Current tax		
Corporation tax at 30% (2006 30%)	362,487	521,267
Adjustments in respect of prior periods	-	5,741
Total current tax	<u>362,487</u>	<u>527,008</u>
Deferred tax		
Changes in deferred tax balances arising from		
Origination or reversal of timing differences	24,620	5,426
Tax charge on profit on ordinary activities	<u>387,107</u>	<u>532,434</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2006 30%)

	<u>2007</u> £	<u>2006</u> £
(Loss) / profit on ordinary activities before taxation	<u>(81,721)</u>	<u>1,639,877</u>
Profit on ordinary activities multiplied by standard rate of tax of 30%	(24,516)	511,403
Capital allowances in excess of depreciation	(29,149)	(11,167)
Expenses not deductible for tax purposes	6	21,031
Adjustments to tax charge in respect of previous periods	-	5,741
Write back of intercompany debt	416,146	-
Total current tax (note 10(a))	<u>362,487</u>	<u>527,008</u>

POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

11 TANGIBLE FIXED ASSETS

	<u>Freehold property</u> £	<u>Leasehold property</u> £	<u>Plant and machinery</u> £	<u>Total</u> £
Cost or valuation				
At 1 January 2007	1,230,000	580,535	5,328,075	7,138,610
Additions	-	-	380,483	380,483
Transfers	(580,000)	(580,535)	(3,864,441)	(5,024,976)
Revaluation	150,000	-	-	150,000
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2007	800,000	-	1,844,117	2,644,117
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2007	13,125	131,099	1,543,248	1,687,472
Charge for the year	2,063	-	163,133	165,196
Transfers	(6,375)	(131,099)	(1,107,166)	(1,244,640)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2007	8,813	-	599,215	608,028
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2007	791,187	-	1,244,902	2,036,089
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	1,216,875	449,436	3,784,827	5,451,138
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Freehold property includes land with a value of £751,673 which is not depreciated

POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

11 TANGIBLE FIXED ASSETS (Continued)

Freehold land and buildings	<u>2007</u> £	<u>2006</u> £
At cost	245,000	490,000
Revaluation	555,000	740,000
	<hr/> 800,000 <hr/>	<hr/> 1,230,000 <hr/>

Freehold land and buildings were revalued in August 2007 by Lambert Smith Hampton (external chartered surveyors and commercial property consultants) The basis of the valuation used was open market value with no selling costs deducted

No provision has been made in the deferred taxation account for the estimated corporate tax that would be payable on disposal at this valuation, because, in the opinion of the directors, those assets are unlikely to be disposed of in the foreseeable future

If the freehold land and buildings had not been revalued, they would have been included on the historical cost basis at the following amount

	Freehold property £
Cost	
At 1 January 2007	490,000
Transfers	(245,000)
	<hr/>
At 31 December 2007	245,000 <hr/>
Depreciation	
At 1 January 2007	13,125
Charge for the year	856
Transfers	(6,375)
	<hr/>
At 31 December 2007	7,606 <hr/>
Net book value	
At 31 December 2007	237,394 <hr/>
At 31 December 2006	476,875 <hr/>

12 STOCKS	<u>2007</u> £	<u>2006</u> £
Incinerator spares	89,489	383,942
	<hr/>	<hr/>

POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

13 DEBTORS	<u>2007</u> £	<u>2006</u> £
Trade debtors	673,156	3,927,537
Amounts owed by group undertakings	362,646	2,900,966
Other debtors	16,526	2,417
Prepayments and accrued income	10,484	345,206
	<u>1,062,812</u>	<u>7,176,126</u>

14 CREDITORS:	<u>2007</u> £	<u>2006</u> £
Amounts falling due within one year		
Bank loans	-	448,000
Trade creditors	452,070	1,952,186
Amounts owed to group undertakings	84,347	3,644,114
Corporation tax	236,590	421,267
Other taxation and social security	34,150	568,717
Other creditors	515	6,009
Accruals and deferred income	62,765	703,105
	<u>870,437</u>	<u>7,743,398</u>

The following liabilities disclosed under creditors falling due within one year were secured by the company

	<u>2007</u> £	<u>2006</u> £
Bank loans and overdrafts	-	448,000

15 CREDITORS:	<u>2007</u> £	<u>2006</u> £
Amounts falling due more than one year		
Bank loans and overdrafts	-	2,432,006

The following liabilities disclosed under creditors falling due after more than one year were secured by the company

	<u>2007</u> £	<u>2006</u> £
Bank loans and overdrafts	-	2,432,006

POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

15 CREDITORS (continued):

Creditors include a bank loan which is due for repayment as follows

	<u>2007</u> £	<u>2006</u> £
Amounts repayable		
In more than one year but not more than two years	-	448,000
In more than two years but not more than five years	-	1,344,000
In more than five years	-	640,006
	<hr/>	<hr/>
	-	2,432,006
	<hr/>	<hr/>

16 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	<u>2007</u> £	<u>2006</u> £
Provision brought forward	296,188	290,762
Transfer	(296,188)	-
Profit and loss account movement arising during the year (note 10(a))	24,620	5,426
	<hr/>	<hr/>
Provision carried forward	24,620	296,188
	<hr/>	<hr/>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	<u>2007</u> £	<u>2006</u> £
Excess of taxation allowances over depreciation on fixed assets	24,620	296,188
	<hr/>	<hr/>

POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

17 LEASING COMMITMENTS

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as set out below

	<u>2007</u>		<u>2006</u>
<u>Land and buildings</u> £	<u>Other items</u> £	<u>Land and buildings</u> £	<u>Other items</u> £
Operating leases which expire			
Within one year	-	-	1,887
Within two to five years	52,143	-	192,068
After more than five years	-	174,772	-
	<u>52,143</u>	<u>174,772</u>	<u>193,955</u>

18 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS8 in disclosing transactions with group undertakings

19 SHARE CAPITAL

	<u>2007</u> £	<u>2006</u> £
Authorised share capital		
3,000,000 Ordinary shares of £1	<u>3,000,000</u>	<u>3,000,000</u>

	<u>2007</u>		<u>2006</u>
<u>No.</u>	<u>£</u>	<u>No.</u>	<u>£</u>
Allotted, called up and fully paid			
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>

20 REVALUATION RESERVE

	<u>2007</u> £	<u>2006</u> £
Balance brought forward	740,000	740,000
Released on transfer	(335,000)	-
Revaluation (note 11)	150,000	-
	<u>555,000</u>	<u>740,000</u>
Balance carried forward		

POLKACREST WALES LIMITED
(FORMERLY ATTERO SERVICES LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2007

21 PROFIT AND LOSS ACCOUNT	<u>2007</u> £	<u>2006</u> £
Balance brought forward	2,250,599	1,143,156
(Loss) / profit for the financial year	(468,828)	1,107,443
Transfer from revaluation reserve (note 20)	335,000	-
	<hr/>	<hr/>
Balance carried forward	2,116,771	2,250,599
	<hr/>	<hr/>

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	<u>2007</u> £'000	<u>2006</u> £'000
Opening shareholders' funds	2,990,699	1,883,256
(Loss) / profit for the financial year	(468,828)	1,107,443
Revaluation (note 20)	150,000	-
	<hr/>	<hr/>
Closing shareholders' funds	2,671,871	2,990,699
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23 ULTIMATE PARENT COMPANY

The company's immediate parent company is Polkacrest Limited. Consolidated accounts are available from Polkacrest Limited, Advent Way, Edmonton, London, N18 3AG.

The parent undertaking of the largest group for which consolidated accounts are prepared is LondonWaste Limited. In the opinion of the directors, LondonWaste Limited is the company's ultimate controlling party.

LondonWaste Limited is jointly controlled by SITA (UK) Limited and North London Waste Authority.