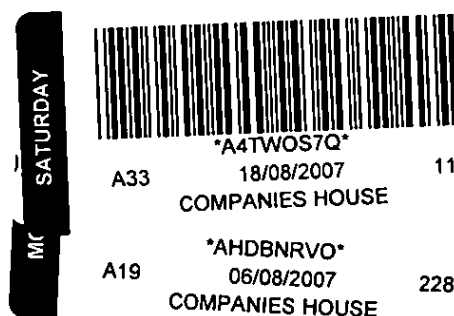


Aptuit (Edinburgh) Limited**(Formerly Early Development and Packaging Services (UK) Ltd)****Report and Financial Statements****30 September 2006**

Aptuit (Edinburgh) Limited

Registered No 05277708

Directors

M Griffiths	(Resigned 27 March 2007)
J Tropsta	(Resigned 27 March 2007)
G Brewer	(Resigned 29 September 2006)
A Templeton	(Appointed 27 March 2007)
J Fikre	(Appointed 27 March 2007)

Secretary

M Griffith	(Resigned 27 March 2007)
A Templeton	(Appointed 27 March 2007)

Auditors

Ernst & Young LLP
George House
50 George Square
Glasgow
G2 1RR

Bankers

Fortis Bank
Camomile Court
23 Camomile Street
London
EC3A 7PP

Solicitors

DLA Piper Rudnick Gray Cary UK LLP
Princes Exchange
Princes Square
Leeds
LS1 4BY

Registered Office

Unit 107
Deeside Industrial Park
Deeside
Flintshire
CH5 2UA

Directors' report

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

The Company changed its name from Early Development and Packaging Services Ltd to Aptuit (Edinburgh) Ltd on 10 October 2005

Results and dividends

The loss for the year, after taxation, amounted to £2,204,948 (2005 Loss -£16 530 639) The company did not pay a dividend in the year (2005 - £nil)

Principal activity, review of the business and future developments

The company's principal activities during the year were the management of Pre-Clinical Activities, Pharmaceutical Development, and Contract Packaging and Distribution of clinical trial drug materials and related activities within the pharmaceutical industry

The financial year ended 30 September 2006 was the first under new management and the Directors are satisfied with the Company's performance, increasing the operating profit before exceptional items from a loss of (£3,439,013) to a profit of £1,633,728

During the year, the company adopted FRS20 share-based payments This required the fair value of options and share awards to be charged to the profit and loss account over the vesting or performance period This change in accounting policy has not resulted in a prior year adjustment as the grant date was 4 January 2006

The Directors aim to maintain the management policies which have resulted in the group's substantial growth in the financial year ended 30 September 2006 They consider that 2007 will show a further significant growth in sales from continuing operations

Financial risk management objectives and policies

The main risks arising from the company's assets and liabilities are liquidity and foreign currency risks The company has clear policies for managing each of these risks, as summarised below

Liquidity Risk

The company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets Investment is carefully controlled, with authorization limits operating at different levels up to group board level and with hurdle rates of return and cash payback periods applied as part of the investment appraisal process

The company participates in the overall world-wide group's funding strategy managed at corporate treasury level The company participates in a UK cash pool The objective is to maintain a balance between continuity of funding and flexibility

Foreign Currency Risk

The company buys and sells goods and services denominated in currencies other than sterling As a result of the value of the company's non-sterling revenues, purchases, financial assets and liabilities, cash flows can be affected significantly by movements in exchange rates

For very large currency transactions the company seeks to mitigate its exposure to currency movements by working with the Group's Treasury department who would enter into forward currency contracts, denominated in the same currency as the operating funds flow, to match the exposures anticipated in the business

Directors' report

Employees

The company's policy is to consult and discuss with employees matters likely to affect employee's interests. Information on matters of concern to employees is given through employee quarterly meetings and monthly team briefings and involves all levels of staff. These meetings seek to achieve a common awareness of the financial and economic factors affecting the company's performance.

It is the company's policy to recruit disabled workers for those vacancies that they are able to fill and all necessary assistance with initial training courses given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors and their interests

The directors who held office during the year were as follows:

M Griffiths	(Resigned 27 March 2007)
J Tropsa	(Resigned 27 March 2007)
G Brewer	(Resigned 29 September 2006)
A Templeton	(Appointed 27 March 2007)
J Fikre	(Appointed 27 March 2007)

None of the directors in office during the year held any beneficial interests in the share capital of the company during the year.

M Griffiths and J Tropsa are also directors of the ultimate parent undertaking and their interests in the shares of Aptuit Inc are disclosed in that company's financial statements.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board



A Templeton
Director

19 June 2007

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial period 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, and
- 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.

Independent auditors' report

to the shareholders of Aptuit (Edinburgh) Limited (formerly Early Development and Packaging Services (UK) Limited).

We have audited the company's financial statements for the year ended 30 September 2006 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 23. These financial statements have been prepared on the basis of 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 are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (UK Generally Accepted Accounting Practice), as set out in the statement of Directors' Responsibilities in relation to the financial statements.

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 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 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 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 the United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2006 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.

Ernst & Young LLP
Ernst & Young LLP
Registered auditor
Edinburgh

20 June 2007

Profit and Loss Account

For the year ended 30 September 2006

	<i>Notes</i>	<i>Year Ended 2006 £</i>	<i>11 Mths Ended 2005 £</i>
Turnover	2	50 619,290	13,499,703
Cost of sales		(35,340,133)	(11,991,098)
Gross profit		15 279,157	1,508,605
Operating expenses	3	(13,645,429)	(4,947,618)
Exceptional Item – impairment of tangible fixed assets	4	-	(9,312,757)
Operating profit / (loss)	5	1 633 728	(12,751,770)
Net interest payable	8	(3 372,377)	-
(Loss) on ordinary activities before taxation		(1 738,649)	(12,751,770)
Taxation	9	(466,299)	(3,778,869)
(Loss) retained for the financial year		(2 204 948)	(16,530,639)

Statement of total recognised gains and losses

There are no recognised gains and losses other than the profit for the year and all operations are continuing

The notes on pages 8 to 19 form part of these financial statements

There is no difference between the historical cost profit and loss and the result shown above

Balance Sheet

For the year ended 30 September 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	10	21,493,328	22,326,989
Investment	11	1	1
		<u>21,493,329</u>	<u>22,326,990</u>
Current assets			
Stock	12	223,527	232,349
Debtors due within one year	13	33,057,983	15,739,040
Cash at bank and in hand		987,724	-
		<u>34,269,234</u>	<u>15,971,389</u>
Creditors amounts falling due within one year	14	(29,644,818)	(12,178,594)
Net current assets		<u>4,624,416</u>	<u>3,792,795</u>
Total assets less current liabilities		<u>26,117,745</u>	<u>26,119,785</u>
Creditors amounts falling due after more than one year	15	(32,063,570)	(30,363,230)
Provisions for liabilities and charges	16	(4,245,168)	(3,778,869)
		<u> </u>	<u> </u>
Net liabilities		<u>(10,190,993)</u>	<u>(8,022,314)</u>
Capital and reserves			
Called up share capital	17	100	100
Capital contribution reserve	18	8,508,225	8,508,225
Profit and loss account	18	(18,699,318)	(16,530,639)
		<u> </u>	<u> </u>
Equity shareholders' funds	18	<u>(10,190,993)</u>	<u>(8,022,314)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 June 2007



A Templeton
Director

The notes on pages 8 to 19 form part of these financial statements

Notes to the financial statements

at 30 September 2006

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom

The accounts have been prepared on a going concern basis because Aptuit Inc the immediate parent company, has confirmed its intention to provide sufficient funds or other financial support to the company to enable it to continue trading and to meet its day to day commitments, properly incurred, during the years ending 30th September 2007 and 30th September 2008

Basis of preparation

In preparing the financial statements for the current year, the company has adopted FRS 20 'Share-based Payments'. The adoption of FRS 20 has resulted in a change in accounting policy for share-based payment transactions. FRS 20 requires the fair value of options and share awards which ultimately vest to be charged to the profit and loss account over the vesting or performance period. For equity-settled transactions fair value is established initially at grant date and at each balance sheet date thereafter until the awards are settled. If an award fails to vest as the result of certain types of performance conditions not being satisfied the charge to the income statement will be adjusted to reflect this.

This change in accounting policy has not resulted in a prior year adjustment as the grant date was 4 January 2006.

Tangible fixed assets

The assets acquired by the company are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life. It is calculated on a straight line basis over the following useful lives:

Buildings	- 40 years
Plant and machinery	- 7-10 years
Fixtures, fittings and equipment	- 5-10 years
Computer equipment	- 3-5 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be reasonable.

Fixed asset investments

Fixed asset investments including those in subsidiary and associated undertakings, are included in the balance sheet at cost of investment, unless the directors believe the investment has suffered a permanent diminution in value.

Stocks

Stocks have been valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Work in progress

The basis of valuation is direct cost uplifted for attributable overheads. Provision is made for losses on individual contracts.

Notes to the financial statements

at 30 September 2006

Unbilled services and unearned revenue

Customer billings are established by contractual provisions including predetermined payment schedules, the achievement of contractual milestones or submission of appropriate billing detail. Unbilled services arise when services have been rendered and revenue has been recognised but customers have not been billed. Unbilled accounts receivable represent revenues on contracts to be billed, in subsequent periods, as per the terms of the related contracts. Conversely, unearned revenue represents amounts billed in excess of revenue recognised.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less or to receive more tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

Operating leases

The rental costs of all operating leases are charged to the profit and loss account as incurred.

Pensions

Contributions to defined contribution pension schemes are charged to the profit and loss account in the period in which they become payable.

Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and are recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions other than conditions linked to the price of the shares of the company (market conditions) if applicable.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet is recognised in the income statement, with a corresponding entry in equity.

Notes to the financial statements

at 30 September 2006

Share-based payments cont

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as lapsed on the date of cancellation, and any cost previously recognised in the income statement for the award is written back.

Classification of shares as debt or equity

When shares are issued, any component that creates a financial liability of the company or group is presented as a liability in the balance sheet, measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption. The corresponding dividends relating to the liability component are charged as interest expense in the income statement. The initial fair value of the liability component is determined using a market rate for an equivalent liability without a conversion feature.

The remainder of the proceeds on issue is allotted to the equity component and included in shareholders' equity, net of transaction costs. The carrying amount of the equity component is not remeasured in subsequent years.

Transaction costs are apportioned between liability and equity components of the shares based on the allocation of proceeds to liability and equity components when the instruments are first recognised.

Cash flow statement

In accordance with Financial Reporting Standard 1, no cash flow statement has been presented as such a statement, consistent with the requirements of the standard, is included in the publicly available consolidated financial statements of the ultimate parent company (Note 22).

Related party transactions

In accordance with the exemption permitted by FRS 8, Related Party Transactions, transactions with fellow wholly owned group companies have not been disclosed.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts receivable for goods and services supplied during the period. A majority of the Company's revenues have been earned under contracts which range in duration from a few months to several years, depending on the service rendered. Service contracts generally take the form of fee-for-service or fixed-price agreements. In the case of fee-for-service contracts, revenue is recognised as contractual milestones are achieved based on output measures recognising our effort as work is incurred.

Turnover is wholly attributable to the principal activity of the company

	<i>Year</i>	<i>11 Mths</i>
	<i>Ended</i>	<i>Ended</i>
	<i>2006</i>	<i>2005</i>
	£	£
<i>Analysis by geographical market</i>		
United Kingdom	18,450,685	4,055,438
Rest of Europe	21,466,252	6,270,072
Rest of World	10,702,353	3,174,193
	<u>50,619,290</u>	<u>13,499,703</u>

Notes to the financial statements

at 30 September 2006

3. Operating Expenses

	<i>Year</i>	<i>11 Mths</i>
	<i>Ended</i>	<i>Ended</i>
	<i>2006</i>	<i>2005</i>
	<i>£</i>	<i>£</i>
Net operating expenses		
Marketing and distribution	384,536	491,622
Administrative Expenses	13,260,893	4,455,996
	<u>13,645,429</u>	<u>4,947,618</u>

4. Exceptional item

The Directors engaged a professional firm to carry out a fair valuation of the tangible fixed assets as at 30 September 2005. The valuation resulted in an impairment charge of £9,312,757 being taken to the Profit and Loss Account in the period ended 30 September 2005.

5. Operating loss

	<i>Year</i>	<i>11 Mths</i>
	<i>Ended</i>	<i>Ended</i>
	<i>2006</i>	<i>2005</i>
	<i>£</i>	<i>£</i>
This is stated after charging/(crediting)		
Depreciation (note 10)	1,907,221	1,401,958
Exceptional Item (note 4)	-	9,312,757
Operating lease rentals - plant and machinery	108,019	39,449
Operating lease rentals - other	218,260	72,753
Auditors' remuneration - audit services	158,200	79,650
Auditors' remuneration - non audit services	-	-
Foreign Exchange Loss	<u>419,846</u>	<u>634,545</u>

6. Directors' emoluments

	<i>Year</i>	<i>11 Mths</i>
	<i>Ended</i>	<i>Ended</i>
	<i>2006</i>	<i>2005</i>
	<i>£</i>	<i>£</i>
Emoluments	<u>182,292</u>	<u>38,866</u>
Company contributions paid to defined contribution pension schemes	<u>2,809</u>	<u>888</u>
Compensation for loss of office	<u>165,080</u>	<u>-</u>

Notes to the financial statements

at 30 September 2006

Directors' emoluments cont...

	2006	2005
	No	No.
Members of defined contribution pension schemes	523	554

The number of directors to whom share options were granted over Aptuit Inc shares was as follows

	2006	2005
	No	No
Options over ordinary \$1 shares at US\$1.00	2	-

7. Staff costs

	Year	11 Mths
	Ended	Ended
	2006	2005
	£	£
Wages and salaries	16 990,641	5 716 977
Social security costs	1 803 330	603,040
Other pension costs	948,722	274,019
	19,742 693	6 594,036
	2006	2005
	No.	No
Directors	1	1
Management and administration	234	92
Production	444	176
	679	269

8. Net interest payable

	Year	11 Mths
	Ended	Ended
	2006	2005
	£	£
Interest receivable on bank deposits	35,037	-
Interest payable on bank loans and overdrafts	(167 143)	-
Interest payable on loans from group companies	(3 240 271)	-
Interest payable	(3,407 414)	-
Net interest payable	(3 372 377)	-

Notes to the financial statements

at 30 September 2006

9. Tax

(a) Tax on profit on ordinary activities:

	<i>Year Ended 2006</i>	<i>11 Mths Ended 2005</i>
	<i>£</i>	<i>£</i>
UK Corporation tax		
Corporation tax on (loss) for the period	-	-
Adjustment in respect of previous period	-	-
Movement in deferred tax provision	466,299	(3,778,869)
	<u>466,299</u>	<u>(3,778,869)</u>

(b) Factors affecting current tax charges

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 30% (2005 - 30%). The differences are reconciled below

	<i>Year Ended 2006</i>	<i>11 Mths Ended 2005</i>
	<i>£</i>	<i>£</i>
Profit on ordinary activities	(1,738,649)	(12,751,770)
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(521,595)	(3,825,531)
Disallowable expenses and non-taxable income	987,894	48,300
Depreciation in excess of capital allowances	(466,299)	3,777,231
	<u>-</u>	<u>-</u>

(c) Factors affecting future tax charge

As at 30 September 2006 the company has up to £27million of tax losses available to carry forward. The ability of the company to utilise these losses is subject to agreement to Her Majesties Revenue and Customs that these losses are available to offset against the future profits of Aptuit (Edinburgh) Ltd and is also dependent upon Aptuit (Edinburgh) Ltd making sufficient taxable profits against which the tax losses could be offset.

Notes to the financial statements

at 30 September 2006

10 Tangible fixed assets

	<i>Land & buildings</i>	<i>Plant & machinery</i>	<i>Fixtures & fittings</i>	<i>Total</i>
	£	£	£	
Cost / valuation				
At 1 October 2005	20 713 610	11 482 983	845 111	33 041 704
Additions	846 529	268 110	53 840	1 168 479
Disposals	-	(130 898)	-	(130 898)
At 30 September 2006	21 560 139	11 620 195	898 951	34 079 285
Depreciation				
At 1 October 2005	1 906 791	8 185 597	622 327	10 714 715
Provided during period	761 087	1 037 423	108 711	1 907 221
Disposals	-	(35 979)	-	(35 979)
At 30 September 2005	2 667 878	9 187 041	731 038	12 585 957
Net book value				
At 30 September 2006	18 892 261	2 433 154	167 913	21 493 328
Net book value				
At 30 September 2005	18 806 819	3 297 386	222 784	22 326 989

Included within Plant and Machinery is Computer Software. The NBV of the Computer Software as at 30 September 2006 is £67,349 (2005: £45,170).

11. Investments

£

Subsidiary undertakings

Cost and book value

1 October 2005 and 30 September 2006

1

The Investment comprises 1 ordinary share of a subsidiary undertaking Aptuit Informatics India Private Limited.

12. Stocks

	<i>2006</i>	<i>2005</i>
	£	£
Raw materials	74,963	79,476
Work in progress	148,564	152,873
	223,527	232,349

Notes to the financial statements

at 30 September 2006

13. Debtors

	2006 £	2005 £
Amounts receivable within one year		
Trade debtors	11 376 934	6 846 145
Provision for bad and doubtful debts	(101 374)	(21 054)
Amounts owed by group undertakings	4 796 577	80 340
Amounts recoverable on contracts	14 234 228	7 852 089
Other debtors	1 384 264	842 879
Prepayments and accrued income	1 367 354	138 641
	<u>33 057 983</u>	<u>15 739 040</u>

14 Creditors: amounts falling due within one year

	2006 £	2005 £
Trade creditors	1 771 191	987 096
Bank Loan	1 500 000	-
Amounts owed to group undertakings	7 087 021	436 419
Corporation tax	-	-
Payments on Account	13,592,847	8 873 532
Accruals and deferred income	5 693 759	1 881 547
	<u>29 644 818</u>	<u>12 178 594</u>

15. Creditors: amounts falling due after more than one year

	2006 £	2005 £
Amounts owed to group undertakings		
Loan note	30 363 230	30,363,230
Interest on loan note	1,700,340	-
	<u>32,063,570</u>	<u>30 363 230</u>

The principal amount of the unsecured loan notes is £30,363,230. The notes are payable to Aptuit Inc and bear interest on the principal amount together with any accrued but unpaid interest outstanding at the rate equal to 10% per annum. The loan note maturity date is 30 September 2010.

Notes to the financial statements

at 30 September 2006

16. Provision for liabilities and charges

Deferred tax

	2006	2006	2005	2005
	<u>Provided</u>	<u>Unprovided</u>	<u>Provided</u>	<u>Unprovided</u>
	£	£	£	£
Deferred tax liability / (asset)				
Accelerated capital allowances	4,420,078	-	4,514,082	-
Short term timing difference	(80,006)	-	(42,298)	-
Tax losses	(94,904)	(8,177,795)	(692,915)	(8,177,795)
	<u>4,245,168</u>	<u>(8,177,795)</u>	<u>3,778,869</u>	<u>(8,177,795)</u>

The movement in the deferred tax provision is shown below

	£
Opening balance	3,778,869
Movement in year	466,299
30 September 2006	<u>4,245,168</u>

17. Share capital

The authorised, allotted and fully paid share capital of the company consisted of

	<i>Authorised</i>	<i>Allotted, called up and fully paid</i>
	<i>2006 and 2005</i>	<i>2006 and 2005</i>
	£	£
Equity share capital		
1,000 shares of £1 each	<u>1,000</u>	<u>100</u>

Notes to the financial statements

at 30 September 2006

18. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i>	<i>Capital contribution reserve</i>	<i>Profit and loss account</i>	<i>Total</i>
	£	£	£	£
Opening Balance	100	8,508,225	(16 530,639)	(8,022,314)
Loss for the year	-	-	(2,204,948)	(2,204,948)
Share-based payments	-	-	36 269	36 269
At 30 September 2006	100	8,508 225	(18 699.318)	(10,190,993)

On 30 September 2005 the parent company paid a capital contribution to the company amounting to £8,508,225

19. Share options

The company has a share option scheme for employees over Aptuit Inc shares. Options are exercisable at a price agreed with HM Revenue & Customs as the market value of the company's shares on the date of grant. The options are capable of exercise on an Exit Event as defined in the share option scheme rules. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the company before the options vest.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

	<i>2006 No.</i>	<i>2006 WAEP</i>	<i>2005 No.</i>	<i>2005 WAEP</i>
Outstanding at 1 October 2005	-	-	-	-
Granted	1 295,000	\$1	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding at 30 September 2006	1 295 000	\$1	-	-
Exercisable at 30 September 2006	-	-	-	-

The options outstanding at 30 September 2006 had a weighted average exercise price of \$1.00. In 2006 options were granted on 4 January 2006.

Notes to the financial statements

at 30 September 2006

19. Share options cont...

The inputs into the Black-Scholes option pricing model are as follows

	2006	2005
Weighted average share price	\$1 00	-
Weighted average exercise price	\$1 00	-
Expected volatility	40%	-
Expected life	10 Years	-
Risk-free rate	5 01%	-
Expected dividends	-	-

Expected volatility was determined by calculating the historical volatility of the company's comparator group share price over the previous 3 years. The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

The company recognised total expenses of £36,269 related to equity-settled share-based payment transactions in 2006.

20. Contingent liabilities

As a consequence of corporate restructurings that were completed when Aptuit (Edinburgh) Ltd was owned by Quintiles Ltd the company have certain contingent liabilities in respect of taxation and duties. Any contingent liability can not be reasonably estimated as it is dependent upon the actions and tax elections of Quintiles Limited. However, Aptuit Inc has a warranty from Quintiles Ltd that any liability would be satisfied by them. Aptuit Inc have committed that any such funds received by them in respect of such tax liabilities would be repaid to Aptuit (Edinburgh) Ltd.

21 Pensions

The company makes contributions to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £948 830 (2005 - £274 019).

At the balance sheet date outstanding contributions amounted to £124 450 (2005 - £Nil).

Notes to the financial statements

at 30 September 2006

22. Commitments

(a) Capital

The company had no contracted capital expenditure at 30 September 2006 (2005 - £Nil)

(b) Operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	<i>Land and buildings</i>		<i>Other</i>	
	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
Operating leases expiring	£	£	£	£
Within one year	-	-	2,939	36,207
In two to five years	-	-	48,671	63,385
In over five years	218,260	218,260	-	-
	<u>218,260</u>	<u>218,260</u>	<u>51,610</u>	<u>99,592</u>

23. Ultimate parent undertaking

The ultimate parent undertaking is Aptuit Inc, which is incorporated in the United States of America

A copy of the consolidated financial statements can be obtained from Three Greenwich Office Park,
Greenwich, CT 06831, United States of America