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Aptuit (Edinburgh) Limited

Report and Financial Statements

30 September 2007

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COMPANIES HOUSE

Aptuit (Edinburgh) Limited

Registered No 05277708

Directors

M Griffith	(Resigned 27 March 2007)
J Tropas	(Resigned 27 March 2007)
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
10 George Street
Edinburgh
EH2 2DZ

Bankers

JP Morgan Chase Bank
125 London Wall
London
EC2Y 5AJ

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 period ended 30 September 2007

Results and dividends

The profit for the year, after taxation, amounted to £4,779,480 (2006 Loss -£2,204,948) The company did not pay a dividend in the year (2006 - £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 directors are satisfied with the company's performance, increasing the operating profits from £1,633,728 to £4,922,374 The directors aim to maintain the management policies which have resulted in the company's substantial growth in the financial year ended 30 September 2007

On 30 November 2007, the company received a capital contribution of £30M from their parent company, Aptuit Inc The funds were used in part to acquire the Chemical and Pharmaceutical Development business of Evotec AG The acquisition will integrate an active pharmaceutical ingredient facility in Oxford, England, and a fill / finish facility in Glasgow, Scotland into Aptuit's global network The directors expect the acquisition to increase turnover in 2008 by £13M and operating profits by £1.4M

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

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

Directors' report

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 Griffith	(Resigned 27 March 2007)
J Tropsa	(Resigned 27 March 2007)
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

12 May 2008

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
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 AUDITOR'S REPORT TO THE MEMBERS OF APTUIT (EDINBURGH) LIMITED

We have audited the company's financial statements for the year ended 30 September 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 22. These 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 financial statements in accordance with applicable United Kingdom law and 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 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 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 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 2007 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 is consistent with the financial statements

EY

Ernst & Young LLP
Registered auditor
Edinburgh

13/1/08

Profit and Loss Account

For the year ended 30 September 2007

		<i>Year Ended 2007 £</i>	<i>Year Ended 2006 £</i>
	<i>Notes</i>		
Turnover	2	50,079,175	50,619,290
Cost of sales		(30,615,922)	(35,340,133)
Gross profit		19,463,253	15,279,157
Operating expenses	3	(14,820,879)	(13,645,429)
Operating profit	4	4,642,374	1,633,728
Net interest payable	7	(4,108,062)	(3,372,377)
Profit / (loss) on ordinary activities before taxation		534,312	(1,738,649)
Taxation	8	4,245,168	(466,299)
Retained profit / (loss) for the financial year		4,779,480	(2,204,948)

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 9 to 20 form part of these financial statements

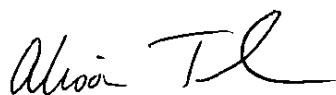
There is no difference between the historical cost profit and loss and the result shown above

Balance Sheet

For the year ended 30 September 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	9	21,891,818	21,493,328
Investment	10	1	1
		<u>21,891,819</u>	<u>21,493,329</u>
Current assets			
Stock	11	164,947	223,527
Debtors due within one year	12	47,713,545	33,057,983
Cash at bank and in hand		-	987,724
		<u>47,878,492</u>	<u>34,269,234</u>
Creditors amounts falling due within one year	13	(44,714,371)	(29,644,818)
Net current assets		<u>3,164,121</u>	<u>4,624,416</u>
Total assets less current liabilities		<u>25,055,940</u>	<u>26,117,745</u>
Creditors amounts falling due after more than one year	14	(30,363,230)	(32,063,570)
Provisions for liabilities and charges	15	-	(4,245,168)
		<u>(5,307,290)</u>	<u>(10,190,993)</u>
Net liabilities		<u>(5,307,290)</u>	<u>(10,190,993)</u>
Capital and reserves			
Called up share capital	16	100	100
Capital contribution reserve	17	8,508,225	8,508,225
Profit and loss account	17	(13,815,615)	(18,699,318)
Equity shareholders' funds	17	<u>(5,307,290)</u>	<u>(10,190,993)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 May 2008



A Templeton
Director

The notes on pages 9 to 20 form part of these financial statements

Notes to the financial statements

at 30 September 2007

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, for at least a period of 12 months from the date of approval of these financial statements

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

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

Notes to the financial statements

at 30 September 2007

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 2007

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 Ended 2007 £</i>	<i>Year Ended 2006 £</i>
<i>Analysis by geographical market</i>		
United Kingdom	12,553,476	18,450,685
Rest of Europe	26,864,275	21,466,252
Rest of World	10,661,424	10,702,353
	<u>50,079,175</u>	<u>50,619,290</u>

Notes to the financial statements

at 30 September 2007

3. Operating Expenses

	<i>Year Ended 2007 £</i>	<i>Year Ended 2006 £</i>
Net operating expenses		
Marketing and distribution	332,268	384,536
Administrative Expenses	14,488,611	13,260,893
	<u>14,820,879</u>	<u>13,645,429</u>

4. Operating profit

	<i>Year Ended 2007 £</i>	<i>Year Ended 2006 £</i>
This is stated after charging/ (crediting)		
Depreciation (note 9)	1,228,487	1,907,221
Operating lease rentals - plant and machinery	110,785	108,019
Operating lease rentals - other	224,444	218,260
Auditors' remuneration - audit services	136,704	158,200
Auditors' remuneration - non audit services	-	-
Foreign Exchange Loss	350,361	419,846
	<u></u>	<u></u>

5. Directors' emoluments

	<i>Year Ended 2007 £</i>	<i>Year Ended 2006 £</i>
Emoluments	99,346	182,292
Company contributions paid to defined contribution pension schemes	6,458	2,809
Compensation for loss of office	-	165,080

The Directors emoluments for one Director were paid by Aptuit Inc

Notes to the financial statements

at 30 September 2007

Directors' emoluments cont...

	<i>2007</i>	<i>2006</i>
	<i>No.</i>	<i>No.</i>
Members of defined contribution pension schemes	1	2

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

	<i>2007</i>	<i>2006</i>
	<i>No</i>	<i>No</i>
Options over ordinary \$1.50 shares at US\$1.00	2	2

6. Staff costs

	<i>Year</i>	<i>Year</i>
	<i>Ended</i>	<i>Ended</i>
	<i>2007</i>	<i>2006</i>
	<i>£</i>	<i>£</i>
Wages and salaries	17,732,684	16,990,641
Social security costs	1,818,163	1,803,330
Other pension costs	964,156	948,722
	<u>20,515,003</u>	<u>19,742,693</u>
	<i>2007</i>	<i>2006</i>
	<i>No.</i>	<i>No.</i>
Directors	1	1
Management and administration	227	234
Production	479	444
	<u>707</u>	<u>679</u>

7. Net interest payable

	<i>Year</i>	<i>Year</i>
	<i>Ended</i>	<i>Ended</i>
	<i>2007</i>	<i>2006</i>
	<i>£</i>	<i>£</i>
Interest receivable on bank deposits	18,113	35,037
Interest payable on bank loans and overdrafts	(175,061)	(167,143)
Interest payable on loans from group companies	(3,951,114)	(3,240,271)
Interest payable	<u>(4,126,175)</u>	<u>(3,407,414)</u>
Net interest payable	<u>(4,108,062)</u>	<u>(3,372,377)</u>

Notes to the financial statements

at 30 September 2007

8. Tax

(a) Tax on profit on ordinary activities:

	<i>Year Ended 2007</i>	<i>Year Ended 2006</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	(4,245,168)	466,299
	<u>(4,245,168)</u>	<u>466,299</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 2007</i>	<i>Year Ended 2006</i>
	<i>£</i>	<i>£</i>
Profit / (loss) on ordinary activities	534,312	(1,738,649)
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	160,294	(521,595)
Disallowable expenses and non-taxable income	727,822	987,894
Depreciation in excess of capital allowances	(888,116)	(466,299)
	<u>-</u>	<u>-</u>

(c) Factors affecting future tax charge

As at 30 September 2007 the company has up to £21million of tax losses available to carry forward The ability of the company to utilise these losses is 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 2007

9. Tangible fixed assets

	<i>Freehold Land & Buildings</i>	<i>Plant & machinery</i>	<i>Fixtures & fittings</i>	<i>Assets in the course of construction</i>	<i>Total</i>
	£	£	£	£	£
Cost	21,560,139	11,620,195	898,951	-	34,079,285
At 1 October 2006					
Additions	255,172	904,162	-	467,643	1,626,977
Disposals	-	-	-	-	-
At 30 September 2007	21,815,311	12,524,357	898,951	467,643	35,706,262
Depreciation					
At 1 October 2006	2,667,878	9,187,041	731,038	-	12,585,957
Provided during period	921,084	258,343	49,060	-	1,228,487
Disposals	-	-	-	-	-
At 30 September 2007	3,588,962	9,445,384	780,098	-	13,814,444
Net book value					
At 30 September 2007	18,226,349	3,078,973	118,853	467,643	21,891,818
Net book value					
At 30 September 2006	18,892,261	2,433,154	167,913	-	21,493,328

Included within Plant and Machinery is Computer Software. The NBV of the Computer Software as at 30 September 2007 is £477,220 (2006: £67,349).

10. Investments

£

Subsidiary undertakings

Cost and book value

1 October 2006 and 30 September 2007

1

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

Notes to the financial statements

at 30 September 2007

11. Stocks

	2007	2006
	£	£
Raw materials	21,113	74,963
Work in progress	143,834	148,564
	<u>164,947</u>	<u>223,527</u>

12. Debtors

	2007	2006
	£	£
Amounts receivable within one year		
Trade debtors	13,962,039	11,275,560
Amounts owed by group undertakings	19,787,456	4,796,577
Amounts recoverable on contracts	11,133,088	14,234,228
Other debtors	1,339,519	1,384,264
Prepayments and accrued income	1,491,443	1,367,354
	<u>47,713,545</u>	<u>33,057,983</u>

13. Creditors: amounts falling due within one year

	2007	2006
	£	£
Bank Overdraft	1,019,861	-
Trade creditors	2,304,550	1,771,191
Bank Loan	6,489,364	1,500,000
Amounts owed to group undertakings	25,700,592	7,087,021
Payments on Account	5,704,609	13,592,847
Accruals and deferred income	3,495,396	5,693,759
	<u>44,714,371</u>	<u>29,644,818</u>

The loan relates to a revolving credit facility and is secured by a floating charge over the company's assets. The credit facility carried an interest rate of 8.69% on GBP borrowing and 6.91% on EUR borrowings as at 30 September 2007.

Notes to the financial statements

at 30 September 2007

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

	2007 £	2006 £
Amounts owed to group undertakings		
Loan note	30,363,230	30,363,230
Interest on loan note	-	1,700,340
	<u>30,363,230</u>	<u>32,063,570</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.

15. Provision for liabilities and charges

Deferred tax

	2007 <u>Provided</u> £	2007 <u>Unprovided</u> £	2006 <u>Provided</u> £	2006 <u>Unprovided</u> £
Deferred tax liability / (asset)				
Accelerated capital allowances	4,371,362	-	4,420,078	-
Short term timing difference	(729,608)	-	(80,006)	-
Tax losses	(3,641,754)	(2,644,195)	(94,904)	(8,177,795)
	<u>-</u>	<u>(2,644,195)</u>	<u>4,245,168</u>	<u>(8,177,795)</u>

The movement in the deferred tax provision is shown below

	£
Opening balance	4,245,168
Movement in year	(4,245,168)
	<u>-</u>
30 September 2007	<u>-</u>

Notes to the financial statements

at 30 September 2007

16. Share capital

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

	<i>Authorised 2007 and 2006</i>	<i>Allotted, called up and fully paid 2007 and 2006</i>
	£	£
Equity share capital		
1,000 shares of £1 each	1 000	100

17. 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	(18,699,318)	(10,190,993)
Profit for the year	-	-	4,779,480	4,779,480
Share-based payments	-	-	104,223	104,223
At 30 September 2007	100	8,508,225	(13,815,615)	(5,307,290)

18. 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.

Notes to the financial statements

at 30 September 2007

18. Share options cont..

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

	2007	2007	2006	2006
	No	WAEP	No.	WAEP
Outstanding at 1 October 2006	1,295,000	\$1 00	-	-
Granted	850,000	\$1 50	1,295,000	\$1 00
Forfeited	(235,000)	\$1 00	-	-
Exercised	-	-	-	-
Outstanding at 30 September 2007	1,910,000	\$1 22	1,295,000	\$1 00
Exercisable at 30 September 2007	-	-	-	-

The options outstanding at 30 September 2007 had a weighted average exercise price of \$1 22. In 2006, options were granted on 4 January 2006.

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

	2007	2006
Weighted average share price	\$1 22	\$1 00
Weighted average exercise price	\$1 22	\$1 00
Expected volatility	37%	40%
Expected life	10 Years	10 Years
Risk-free rate	4.40%	5.01%

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 £104,223 related to equity-settled share-based payment transactions in 2007 (2006 - £36,268).

19. 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.

Notes to the financial statements

at 30 September 2007

20. 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 £964,156 (2006 - £948,830)

At the balance sheet date outstanding contributions amounted to £137,976 (2006 - £124,450)

21. Commitments

(a) Capital

The company had no contracted capital expenditure at 30 September 2007 (2006 - £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>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	£	£	£	£
Operating leases expiring				
Within one year	-	-	-	2,939
In two to five years	-	-	26,340	48,671
In over five years	224,444	218,260	-	-
	<u>224,444</u>	<u>218,260</u>	<u>26,340</u>	<u>51,610</u>

22. 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 Two Greenwich Office Park, Greenwich, CT 06831, United States of America