

Maze 1 Limited

Company number: 8325021

Directors' Report and Financial Statements

Period 10 December 2012 to 31 December 2012

Registered Office
Ground Floor 107 Power Road
Chiswick, London, W4 5PY



Maze I Limited
Company number 8325021

Directors

A Gullan
R Ellis
T Tyson
W Wheeler

Registered Office

Ground Floor
107 Power Road
Chiswick
London
W4 5PY

Bankers

Lloyds Bank PLC
10 Gresham Street
London
EC2V 7AE

Bank of America, N A
5 Canada Square
London
E14 5AQ

Auditors

KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

Contents

Directors' report	1
Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements	4
Independent auditor's report to the members of Maze 1 Limited	5
Consolidated Profit and Loss Account	7
Statement of Total Recognised Gains and Losses	8
Consolidated Balance Sheet	9
Company Balance Sheet	10
Consolidated cash flow statement	11
Notes	12

Directors' report

The Directors present their Directors' Report and financial statements for the period ended 31 December 2012

Results and dividends

	Period Ended 31 December 2012 €000
Loss for the period	(119,791)

The Directors do not recommend the payment of a dividend

Principal activity, business review and future developments

The Company is the holding company of a group whose principal activity is providing speciality courier services to the Pharmaceutical industry. The Group operates via a network of branch offices in the UK, Europe, the Americas and the Far East. These accounts reflect a ten-day trading period.

The Company was incorporated on 10 December 2012. It was set up together with two subsidiaries to acquire Iridium France SAS ('Iridium') and its subsidiaries by the syndicate of lenders to the vendor of Iridium. On 21 December 2012 the acquisition was completed for a consideration of €1. As part of the transaction, certain of the lenders made available a new super senior facility of €25.5m, which was fully drawn on 21 December 2012.

Background to the acquisition

During 2012, the vendor had carried out a marketing process to sell Iridium, with assistance from Morgan Stanley. This elicited a number of offers at or around the value of Iridium's bank debt. Unfortunately, a sale was not completed due to the inability of the offerors to raise appropriate bank finance.

The lenders to the vendor formed the view that the best route to preserve value was to acquire the equity of the business via an administration process. The enterprise value was supported by the previous offers made as part of the sale process.

Business review

Following the acquisition the business underperformed against its plan as a result of flat market conditions and delays in converting sales awards to revenue. The Group continued to implement its strategy to develop a global Depot network and is expected to complete the programme during 2014. Over and above the market issues during 2013, the Group's results have been materially impacted by the incremental cash costs of rectifying the failure of a major IT implementation. One consequence of the IT issue was that management were unable to reliably measure and report the financial performance of the business. Consequently, the Group requested waivers of certain information covenants, from its lenders. By September 2013, the flow of reliable financial information had been restored.

The impact of the flat market, delays in converting sales awards to revenue, and the incremental cash costs of the IT issues progressively reduced the available working capital in the business. In November 2013, the senior lenders consented to an amendment to the facility agreement, to the effect that cash pay interest on the senior debt has been reduced by 3%pa and will instead increase the capital outstanding. As part of the same amendment, financial covenants were re-set.

As a consequence of underperforming its business plan since the date of the acquisition and in conjunction with a new five-year plan the Directors have re-considered the carrying value of goodwill as at 31 December 2012. The results of that review have led the Directors to write down the goodwill by €117m to €267m.

Directors' report *(continued)*

Going concern

The directors have prepared the financial statements on a going concern basis. More details can be found in Note 1 to the accounts.

Directors

The Directors who held office during the period were as follows:

R Ellis	Appointed 10 December 2012	
W Wheeler	Appointed 14 December 2012	
C O'Connell	Appointed 14 December 2012	Resigned 17 July 2013
M O'Donnell	Appointed 13 February 2013	Resigned 30 September 2013
T Tyson	Appointed 13 February 2013	
A Gullan	Appointed 17 July 2013	

Financial risk management

The Group's operations expose it to a variety of financial risks that include the effects of price risk, credit risk, liquidity risk, foreign exchange risk and interest rate risk.

Given the size of the Group, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board are implemented by the Group's finance department.

Price risk

Price risk is managed by an executive committee and any significant exposure is reviewed periodically and, where appropriate, fixed by future purchasing agreements.

The Company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made.

A policy of individual customer credit limits is used to manage exposure to any individual counterparty.

Liquidity risk

The Group is financed by two debt structures. The senior facility was designed to ensure that it has sufficient available funds for operations and planned expansions. The super senior facility was advanced to fund the cost of the December 2012 acquisition and to address the immediate working capital needs of the business.

Foreign exchange risk

The Group monitors exposure to movements in the value of foreign currencies. The major trading operations are profitable and generate surplus local currency and therefore are not reliant on the group for funding. The material foreign exchange risks relate to the debt service obligations being in Euros. This exposure is unhedged but is reviewed by the Board on a regular basis.

Interest rate risk

The coupon on the Group's debt facilities includes a EURIBOR floor, the macro environment is monitored and in the event that future market rates appear likely to exceed the floor, then the purchase of appropriate financial instruments will be considered by the Board.

Directors' report *(continued)*

Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the period

Post balance sheet events

Throughout 2013, the Group requested various consents from its lenders, and where appropriate its shareholders, to waivers, deferrals, amendments and covenant re-sets. These are more fully detailed in note 24 to the accounts, Post Balance Sheet Events. No events of default are currently outstanding under the Group's financing documentation.

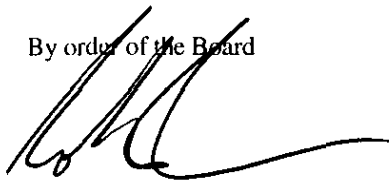
Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



R K Ellis
Director

Ground Floor 107 Power Road
Chiswick, London, W4 5PY

28 November 2013

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

The directors are responsible for preparing the Directors' 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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



KPMG LLP

8 Salisbury Square

London

EC4Y 8BB

United Kingdom

Independent auditor's report to the members of Maze 1 Limited

We have audited the financial statements of Maze 1 Limited for the period ended 31 December 2012 set out on pages 7 to 25. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2012 and of the group's loss for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Maze 1 Limited *(continued)*

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Adrian Wilcox (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

8 Salisbury Square
London
EC4Y8BB
United Kingdom

28 November 2013

Consolidated Profit and Loss Account
for the period ended 31 December 2012

		2012 €000
	Note	
Turnover	1,2	3,537
Operating Expenses		(3,036)
Amortisation and Impairment of goodwill		(119,293)
Operating Loss	3	(118,792)
Interest payable and other similar charges	6	(879)
Loss on ordinary activities before taxation		(119,671)
Tax on ordinary activities	7	(120)
Loss for the financial period	15	(119,791)

All results arise from continuing operations

The notes on pages 12 to 25 form part of these financial statements

Statement of Total Recognised Gains and Losses

For the period ended 31 December 2012

	Note	2012 €000
Loss for the financial period	15	(119,791)
Employee Benefit Trust	20	2,977
Net exchange differences		(261)
Total recognised losses for the period		(117,075)

The notes on pages 12 to 25 form part of these financial statements

Consolidated Balance Sheet
At 31 December 2012

	<i>Note</i>	2012 €000	2012 €000
Fixed assets			
Intangible assets	9		268,803
Tangible assets	10		6,161
Total fixed assets			<u>274,964</u>
Current assets			
Debtors	11	27,865	
Cash at bank and in hand	20	22,057	
Total current assets		<u>49,922</u>	
Creditors: amounts falling due within one year	12	<u>(34,856)</u>	
Net current assets			15,066
Total assets less current liabilities			<u>290,030</u>
Creditors: amounts falling due after more than one year	13		(407,105)
Net liabilities			<u>(117,075)</u>
Capital and reserves			
Called up share capital	14		-
Profit and loss account	15		(117,075)
Shareholders' deficit	15		<u>(117,075)</u>

Approved by the Board on 28 November 2013 and signed on its behalf by



R K Ellis
Director

The notes on pages 12 to 25 form part of these financial statements

Company Balance Sheet
At 31 December 2012

	<i>Note</i>	2012 €	2012 €
Fixed assets			
Investments			1
Current assets			
Other debtors		38	
Creditors: amounts falling due within one year	13	(1)	
Net current assets			37
Total assets less current liabilities			38
Creditors: amounts falling due after more than one year			-
Net Assets			38
Capital and reserves			
Called up share capital			38
Profit and loss account			-
Shareholders' funds			38

Approved by the Board on 28 November 2013 and signed on its behalf by



R K Ellis
Director

The notes on pages 12 to 25 form part of these financial statements

Consolidated cash flow statement
For the period ended 31 December 2012

		Period Ended 31 December 2012 €000
Cash flow from operating activities	<i>16</i>	(13,430)
Acquisitions and disposals		
Net cash acquired with subsidiary undertakings		9,987
Cash outflow before financing		(3,443)
Financing		
New long term loans		25,500
Increase in cash in the period		<u>22,057</u>

Reconciliation of net cash flow to movement in net debt

		Period Ended 31 December 2012 €000
Increase in cash in the period	<i>17</i>	22,057
Debt acquired		(382,846)
Net cash inflow from new loans		(25,500)
Interest accrued and capitalised		(879)
Movement in net debt in the period		<u>(387,168)</u>
Net debt at the start of the period		-
Net debt at the end of the period		<u>(387,168)</u>

The notes on pages 12 to 25 form part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2012. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account. The company made a loss for the period of €Nil.

Going concern

The directors note the following in their deliberations on whether the going concern basis is appropriate for the financial statements:

The Group reported a loss after tax for the period of €119,791,403 and net liabilities of €117,074,675 at the balance sheet date. The Group has prepared a five-year cash flow forecast which shows that the business will be able to realise its assets and meet its liabilities as they fall due, except for the final repayment of the senior debt principal which falls due in December 2017. Ahead of the final repayment date the Group will be considering its strategic options as to how it may repay or refinance the senior debt principal.

Under the loan documentation, the equity is stapled to the senior debt. During 2013 the syndicate of senior lenders has demonstrated its strong support for the Group to continue as a going concern, as evidenced by consistently high levels of support for waiver and amendment requests. Two lenders, who between them control sufficient votes to block enforcement action by the syndicate, have confirmed to the directors that they are focused on value maximisation in the medium term.

The directors considered whether the structure of the senior debt, being owed by operating subsidiaries, would pose a threat to going concern in the event that a future sale of the business did not generate sufficient funds to fully repay the debt. The senior lenders have included a "debt release mechanism" within loan documentation which allows for debt to be forgiven such that the group will not become insolvent in the event of a sale.

In the event that the decision of the syndicate is to extend the term of the loan beyond 2017, given their focus in maximising value and their actions to date, the two lenders who exercise negative control will want to extend the term of the debt in a manner which minimises disruption to the business.

In conclusion the directors consider that the debt release mechanism provides sufficient support for the group in considering its strategic options as to how it may repay or refinance its debt in 2017 to enable the financial statements to be prepared under the going concern assumption. The financial statements do not reflect any adjustment should the going concern basis not be appropriate.

Taxation

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

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Notes (continued)

1 Accounting policies (continued)

Taxation (continued)

Deferred tax assets are recognised to the extent that they are regarded as recoverable. Assets are regarded as recoverable when it is 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.

Foreign currencies

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

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions has been capitalised. Positive goodwill will be amortised to nil by equal annual instalments over its useful life which is estimated as being five years. No amortisation has been provided for the ten-day period in the year of acquisition. The five-year amortisation period is considered to be appropriate as this is consistent with the term of the debt financing.

Investments

Investments in subsidiary undertakings are stated at cost (less amounts impaired).

Impairment of fixed assets

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost.

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed on intangible assets and goodwill only if subsequent external events reverse the effect of the original event which caused the recognition of the impairment or the loss arose on an intangible asset with a readily ascertainable market value and that market value has increased above the impaired carrying amount. For other fixed assets where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period.

Notes (continued)

1 Accounting policies (continued)

Reversals of impairment (continued)

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised

Post retirement benefits

The Group operates or contributes to a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits, less overdrafts repayable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market.

Turnover

Turnover comprises the value of charges for the sale of services and goods to third parties. Turnover is recognised when services have been completed. Turnover excludes value added tax and equivalent taxes, duty and other disbursements made on behalf of customers.

2 Analysis of turnover and operating results

All turnover is derived from the principal activity of the group, which the Directors believe represents a single class of business. Turnover and operating results arose in the following regions:

	Turnover	Operating Loss
	2012	2012
	€000	€000
EMEA	1,837	85,555
Americas	1,247	20,968
Asia/Pacific	453	12,268
	<u>3,537</u>	<u>118,791</u>

Notes (continued)

3 Notes to the profit and loss account

The following amounts have been charged in arriving at the operating loss

	Period Ended 31 December 2012 €000
Raw materials, consumables and other purchases	523
Staff costs	
Wages and salaries	791
Social security costs	117
Other pension costs	14
Depreciation	
Owned assets	32
Amortisation	17
Operating lease rentals	
Land and buildings	69
Vehicles, plant and equipment	6
Exchange loss	133
Impairment of Goodwill	119,293
Other operating expenses	1,326
Auditors' remuneration	
For audit of these financial statements	8
	<u>122,329</u>

4 Staff numbers and costs

Group

The average number of persons employed by the Group during the period, including directors, analysed by category as follows

	December 2012 Number
Management	6
Administrative	36
Operational	459
	<u>501</u>

The aggregate payroll costs of these persons were as follows

	2012 €000
Wages and salaries	791
Social security costs	117
Other pension costs	14
	<u>922</u>

Company

The average number of persons employed by the Company during the period, including directors, was three. No salary costs were incurred in the period.

Notes (continued)

5 Remuneration of Directors

	2012 €000
Aggregate emoluments	<u>114</u>

Emoluments paid to the highest paid Director were €84,000. No Company pension contributions were made on his behalf.

6 Net finance costs

	Period Ended 31 December 2012 €000
Interest payable on bank debt and other loans	879
Net Interest payable	<u>879</u>

7 Taxation

Analysis of charge in period

	Period Ended 31 December 2012 €000
<i>UK corporation tax</i>	
Current tax on profits for the period	122
Double taxation relief	(122)
<i>Foreign corporation tax</i>	
Current tax on profits for the period	<u>120</u>
Tax current tax charge	<u>120</u>

Factors affecting the tax charge for the current period

The current tax charge for the period is higher than the standard rate of corporation tax in the UK of 24.5% (The differences are explained below)

	Period Ended 31 December 2012 €000
<i>Current tax reconciliation</i>	
Loss on ordinary activities before tax	<u>(119,671)</u>
Current tax at 24.5%	(29,319)
<i>Effects of</i>	
Expenses not deductible for tax purposes	29,228
Higher rates of overseas tax net of double taxation relief	(2)
Accelerated Capital Allowances and other timing differences	<u>213</u>
Current tax charge for the period	<u>120</u>

Notes (continued)

7 Taxation (continued)

Deferred tax

The unrecognised deferred tax asset consists of

	2012
	€000
Accelerated Capital Allowances	807
Short term timing differences	6,197
Tax losses carried forward	45,984
Unrecognised deferred tax asset	<u>52,989</u>

The Company has a deferred tax asset at 31 December 2012 of €nil which has not been recognised in the financial statements because the Directors do not believe that the asset is recoverable

The deferred tax has been calculated using the applicable overseas rate of corporation tax for losses and 23% for remaining balances (2011 26.5%)

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

This will reduce the Company's future current tax charge accordingly.

8 Fixed asset investments and subsidiary undertakings

Company

	2012
	€
Cost at beginning of the period	-
Investment in subsidiary entities	1
Cost at end of the period	<u>1</u>

Notes (continued)

8 Fixed asset investments and subsidiary undertakings (continued)

The principal undertakings in which the Company's interest at the period end is more than 20% are as follows

Subsidiary undertakings	Country of incorporation	Principal activity	Percentage of share held
Maze 2 Limited	England	Holding Company	100%
Maze 3 Limited*	England	Holding Company	100%
Iridium France S A S *	France	Holding Company	100%
Platinum France Investissements S A S *	France	Holding Company	100%
De Facto 1341 Limited *	England	Holding Company	100%
Marken S A S *	France	Trading Company	100%
Marken Limited *	England	Trading Company	100%
Marken Time Critical Express Limited *	England	Trading Company	100%
Marken Time Critical Express (Beijing) Limited*	China	Trading Company	100%
Marken Switzerland AG*	Switzerland	Trading Company	100%
Marken LLP*	USA	Trading Company	100%
Marken Germany GmbH*	Germany	Trading Company	100%

* held via subsidiary entities

Notes (continued)

9 Intangible fixed assets

	Software Development €000	Goodwill €000	Total €000
Cost			
Cost at beginning of period	-	-	-
Additions	2,172	385,941	388,113
At end of period	2,172	385,941	388,113
Amortisation			
At beginning of period	-	-	-
Charge for the period	17	-	17
Amortisation and impairment	-	119,293	119,293
At end of period	17	119,293	119,310
Net book value			
At 31 December 2012	2,155	266,648	268,803

On 21 December 2012, Maze 3 Limited acquired 100% of the share capital of Iridium France S A S for consideration of €1 See Note 25 for the calculation of the goodwill on acquisition

Included within the goodwill amortisation and impairment charge for the period is an impairment charge of €119,293,000 The impairment charge represents the difference between the Directors' assessment of the net realisable value of goodwill, being its value in use, and the carrying amount The value in use of goodwill is represented by the enterprise value of the group less operating assets held

Impairment testing

Following the acquisition of Iridium, the directors conducted an impairment review of goodwill The business did not meet its 2012 forecast and performance during 2013 has been materially below plan These factors, in conjunction with a revised five-year plan, updated in the light of recent experience, are indicators of impairment in the carrying value of goodwill Additionally, the Group breached its financial covenants during 2013

The review indicated that the recoverable amount of goodwill exceeded its carrying amount by €119,293,000 and consequently has been written down by this amount The impairment loss has been recognised within the operating loss within the profit and loss account

The recoverable amount of goodwill has been calculated with reference to its value in use The key assumptions of this calculation are shown below

	2012
Period over which management has projected cash-flows	Five years
Growth rate used to extrapolate cash flows*	0.5%
Discount rate	13%

*The period before a steady or declining long-term growth rate has been assumed is five years

A 1% change in the discount rate alters the carrying value of goodwill by €21 million A 0.5% change in the terminal growth rate alters the carrying value of goodwill by €10 million

Notes (continued)

10 Tangible fixed assets

Group	Motor vehicles €000	Computer equipment €000	Plant and equipment €000	Plant Facilities €000	Total €000
Cost					
At beginning of period	-	-	-	-	-
Acquired in the period	266	458	1,318	4,151	6,193
At end of period	266	458	1,318	4,151	6,193
Depreciation					
At beginning of period	-	-	-	-	-
Charge for the period	4	10	8	10	32
At end of period	4	10	8	10	32
Net book value					
At 31 December 2012	262	448	1,310	4,141	6,161

The Company owned no tangible assets

11 Debtors amounts falling due within one year

	Group 2012 €000	Company 2012 €000
Trade debtors	18,831	-
Recoverable corporation tax	158	-
Recoverable VAT	2,145	-
Other debtors	2,484	-
Prepayments and accrued income	4,247	-
	27,865	-

12 Creditors: amounts falling due within one year

	Group 2012 €000	Company 2012 €000
Trade Creditors	3,325	-
Other creditors	6,841	-
Bank loans and interest accrued	2,121	-
Taxation and social security	790	-
Accruals and deferred income	21,780	-
	34,857	-

Notes (continued)

13 Creditors. amounts falling due after more than one year

	Group 2012 €000	Company 2012 €000
Bank loans	<u>407,105</u>	<u>-</u>

Analysis of debt

	Group 2012 €000	Company 2012 €000
Debt greater than one year can be analysed as falling due		
Between two and five years	<u>407,105</u>	<u>-</u>
	<u>407,105</u>	<u>-</u>

The debt comprises a senior term facility of €382,846,000 bearing interest at the rate of 10% + the greater of EURIBOR and 1.5% per annum and a super senior facility of €25,500,000 bearing interest at the rate of 6% + the greater of EURIBOR and 1.5% per annum. The senior term facility repayment date is 31 December 2017. The super senior facility is repayable by means of quarterly sweeps, to the extent that the Group's available cash at each quarter end exceeds €10 million, with any amount remaining outstanding at 30 June 2017 repayable in full on that date.

14 Called up share capital

	2012 €
<i>Authorised</i>	
382,247 Ordinary shares of €0.0001	<u>38</u>

	2012 €
<i>Allotted, called up and fully paid</i>	
382,247 Ordinary shares of €0.0001	<u>38</u>

The share capital of the Company was issued in the period for a consideration of €38. Each Ordinary share issued carries one vote.

15 Reconciliation of movements in shareholders' funds

Group	Share Capital €000	Other Reserves €000	Profit and loss account €000	Total €000
At start of period	-	-	-	-
Share Capital Issued	-	-	-	-
Loss for the period	-	-	(119,791)	(119,791)
Employee Benefit Trust	-	2,977	-	2,977
Net exchange differences	-	(261)	-	(261)
At end of period	<u>-</u>	<u>2,716</u>	<u>(119,791)</u>	<u>(117,075)</u>

Notes (continued)

15 Reconciliation of movements in shareholders' funds (continued)

Company	Share Capital €	Share Premium €	Profit and loss account €	Total €
At start of period	-	-	-	-
Share Capital issued	38	-	-	38
At end of period	38	-	-	38

No dividend has been declared relating to the 2012 period

16 Reconciliation of operating loss to operating cash flows

	Period Ended 31 December 2012 €000
Operating loss	(118,792)
Depreciation of tangible fixed assets	50
Amortisation and impairment of goodwill and amortisation of intangible assets	119,292
Increase in debtors	(25,562)
Increase in creditors	11,582
Net cash inflow from operating activities	(13,430)

17 Analysis of net debt

Group	At start of Period €000	Cash Flow €000	Exchange Difference €000	Other non cash changes €000	At end of Period €000
Cash in hand and at bank	-	22,057	-	-	22,057
Debt due after one year	-	-	-	(407,105)	(407,105)
Debt due within one year	-	-	-	(2,121)	(2,121)
Total	-	22,057	-	(409,226)	(387,169)

Notes (continued)

18 Contingent liabilities

On 21 December 2012, Maze 2 Limited, a wholly owned subsidiary of Maze 1 Limited (together with other subsidiaries) entered into an amended and restated Senior Facilities Agreement, as a consequence of which the Company is now a Chargor of the security agreement entered into with Lloyds Bank PLC (as Security Agent)

The debenture secures all monies due or to become due from Maze 2 Limited, other Chargors as defined in the security agreement, and any other Obligor as defined in the Senior Facilities Agreement to Lloyds Bank PLC (as Security Agent for the secured parties) (in such capacity the security agent) The Secured Obligations are all present and future obligations and liabilities of any Chargor as defined in the security agreement, under or pursuant to the financing agreement entered into on 20 January 2010, and subsequently amended on 23 February 2010, 24 March 2010 and 20 April 2011, 21 December 2012 and 14 November 2013

The security consists of fixed and floating charges over all assets and undertakings of the Chargors as defined in the security agreement, but excludes any assets that are not owned by the Chargors

The security agreement covers the liabilities under the Senior Facilities Agreement The liability at the year end was €409,225,275

19 Commitments

Operating leases

The Group had commitments in respect of non-cancellable operating leases expiring as follows

	2012	
	Land and buildings €000	Plant and equipment €000
Operating leases which expire		
within one year	419	93
between one and five years	1,322	82
more than five years	390	-
	<u>2,131</u>	<u>175</u>

Leases of land and buildings are typically subject to rent reviews at specified intervals

The Company had no commitments at the period end

20 Employee Benefit Trust

The vendor of Iridium operated an Employee Benefit Trust ('EBT') On acquisition by the Group, sponsoring entity responsibility for the EBT was assumed by a subsidiary, Maze 2 Limited The sponsoring entity is deemed to have de facto control of the EBT's assets and therefore the EBT has been consolidated into Maze 1 Limited The assets of the EBT at the balance sheet date primarily consist of cash and liquid resources

21 Pension scheme

The Company operates or contributes to a number of defined contribution pension schemes The pension costs charge for the period represents contributions payable by these schemes and amounted to €14,000

Outstanding contributions at the period end amounted to €229,000 and are included in creditors falling due within one year (Note 12)

Notes (continued)

22 Ultimate controlling party

In the opinion of the Directors, there is no ultimate controlling party at the balance sheet date. The results of the Group are not consolidated into any other company.

23 Related Party Transactions

There were no related party transactions in the 10 day period.

24 Post Balance Sheet events

On 29 April 2013, following a presentation to investors in Maze 1 Limited ('Investors') and lenders under the Senior Facilities Agreement ('Lenders'), Maze 2 Limited requested from the Lenders, amongst other things, several temporary waivers and deferrals in connection with the delivery of certain financial information relating to the Group and a suspension of the testing of the financial covenants that were due to be tested under the Senior Facilities Agreement for the twelve month period ending 31 March 2013. The requisite consent to such requests was given on 3 May 2013.

On 16 July 2013, Maze 2 Limited requested several further temporary waivers and deferrals in connection with the delivery of certain financial information relating to the Group, permanent waivers of the requirement to test the financial covenants under the Senior Facilities Agreement for the twelve month period ending 31 March 2013 and to deliver certain management information and a temporary suspension of the testing of the financial covenants that were due to be tested under the Senior Facilities Agreement for the twelve month period ending 30 June 2013. The requisite consent to such requests was given on 14 August 2013.

On 17 September 2013, Maze 2 Limited requested, further to the letter dated 29 April 2013, a further extension of the deadline to deliver certain financial information relating to the Group and a permanent waiver of the requirement to test the financial covenants under the Senior Facilities Agreement for the twelve month period ending 30 June 2013. The requisite consent to such requests was given on 3 October 2013.

On 2 October 2013, certain of the Lenders and shareholders of Maze 1 Limited entered into a lock-up agreement relating to the Senior Facilities Agreement, Maze 2 Limited and the Group generally agreeing, amongst other things, to support permanent amendments being made to the Senior Facilities Agreement centering around (a) the blend of cash pay and payment-in-kind interest on the facilities under the Senior Facilities Agreement, (b) the suspension of the testing of the financial covenants under the Senior Facilities Agreement for each of the twelve month periods ending 30 September 2013 and 31 December 2013, (c) certain other key commercial changes and waivers connected to deliverables under the Senior Facilities Agreement and (d) other changes to finance documents connected to the Senior Facilities Agreement and changes to the shareholders' agreement in respect of Maze 1 Limited. Pursuant to an accession to this lock-up agreement by Maze 2 Limited executed on 4 October 2013, Maze 2 Limited requested specific consent from the Lenders in respect of the changes outlined in that lock-up agreement and Maze 1 Limited requested the same of its shareholders. Following the granting of the requisite consent, an amendment and restatement agreement implementing such consented to requests became effective on 30 October 2013.

On 14 November 2013, Maze 2 Limited requested amendments and consents in relation to the Senior Facilities Agreement covering, amongst other things, changes to the financial covenant testing levels under the Senior Facilities Agreement reflecting the proposed budget for the Group distributed at the same time as the requested amendments were made, instituting the first tests of the leverage and interest cover covenants as at 30 June 2014 for the twelve months preceding that date and instituting the first test of the cashflow cover covenant as at 31 December 2014 for the twelve months preceding that date. Also requested were amendments to the maximum capital expenditure restrictions on the Group for the financial year ending 31 December 2014 and beyond and the permanent removal of the delivery requirements in respect of certain financial information in relation to the Group. Following the granting of the requisite consent, an amendment and restatement agreement implementing such consented to requests became effective on 27 November 2013.

Notes *(continued)*

25 Purchase of subsidiary undertaking

On 21 December 2012, for a consideration of €1, Maze 3 Limited acquired Iridium France SAS and its subsidiaries

	€000
Net assets acquired	
Tangible and intangible fixed assets	8,365
Debtors	22,402
Cash at bank	7,006
Creditors	(40,868)
Senior debt	(382,846)
Total of net liabilities acquired	<u>(385,941)</u>
Consideration	
Cash	-
Goodwill	<u><u>385,941</u></u>