Aptuit (Ricliv) Limited

Directors' report and financial statements

For the penod endıng 30 September 2012

Regıstered number 07710801

Directors

T Amat	(resigned 29 February 2012)
T Tyson	(resigned 15 March 2012)
K Roche	(resigned 10 December 2012)
J Fikre	(appointed 19 July 2011)
S Needleman	(appointed 16 March 2012)
K Dinkelacker	(appointed 13 March 2013)

Secretary
J Fikre

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
111 Milton Park
Oxford
Oxfordshire
OX14 4RZ

Directors' Report

The Directors present their annual report and the audited financial statements of Aptuit (Ricliv) Limited (the Company) for the period ended 30 September 2012

Principal activity

The Company does not trade and the accounts are accordingly prepared on a break up basis

The Company's only activity is associated with a third party real estate lease on the vacant property Management has calculated the present value of the onerous lease and related future costs associated with the property and incorporated those into a provision in the balance sheet

Liquidity risk

Liquidity risk is defined as the risk of the Company not being able to meet its outgoings as they fall due Aptuit LLC and our owner, Welsh, Carson, Anderson and Stowe ("WCAS") continue to support the operation at the Company's sites with contributed funds of £0 7m during FY12 and £1 1m to date in FY13 The Directors had extensive discussions with our owner and it is their opinion that future capital needs over the next twelve month period to satisfy the obligations of the Company will be made by Aptuit LLC and/or WCAS The Company needs to ensure it has enough funds to meet its outgoings as they fall due These include rent, rates and any demolition costs To this end the site provides cashflow information to corporate finance which, in turn, manages cash outgoings and intercompany funding

Review of the business and future developments

The Directors' opinion is the entity will have sufficient continuing capital contributions from Aptuit LLC and/or WCAS to sustain the operations at the Company over the next twelve month period

Foreign currency risk

The Company do not believe there is any foreign currency risk

Employees

There are no employees employed by the Company

Directors' Report (continued)

Directors' statement as to disclosure of information to auditors

The Directors who were members of the board at the time of approving the Directors' Report are listed in this report Having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirms that

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware, and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information

Directors and their interests

The Directors who held office during the period were as follows

T Amat	(resigned 29 February 2012)
T Tyson	(resigned 15 March 2012)
K Roche	(resigned 10 December 2012)
J Fikre	(appointed 19 July 2011)
S Needleman	(appointed 16 March 2012)
K Dinkelacker	(appointed 13 March 2013)

None of the Directors who held office at the end of the financial year had any notifiable interest in the shares of the Company The Directors receive no remuneration from the Company They are remunerated directly by Aptuit LLC, the ultimate parent company, and their interests in shares or share options of that company are disclosed in their financial statements

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the reappointment of Ernst & Young LLP will be proposed at the forth coming annual general meeting

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 August 2013

J Fikre
Director

Statement of directors' responsibilities

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 the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 Company and of the profit or loss of the Company for that period In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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, 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 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Independent auditors' report

to the members of Aptuit (Ricliv) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APTUIT (RICLIV) LIMITED

We were engaged to audit the financial statements of Aptuit (RicLiv) Limited for the period ended 30 September 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Statement of Cash Flows and the related notes 1 to 17 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) As set out in note 1, the financial statements have been prepared on a break up basis

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 and express an opinion on 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 Ethical Standards for Auditors Because of the matter described in the Basis for Disclaimer of Opinion, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the profit and loss account

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Basis for disclaimer of opinion on financial statements

The audit evidence available to us was limited because the financial records are not sufficient to enable us to obtain satisfactory audit evidence over the intercompany receivable of £1 and the onerous lease provision of £13m, and what liabilities have been settled by other group companies on behalf of Aptuit (RicLiv) Limited As a result of this we have been unable to obtain sufficient appropriate audit evidence concerning both intercompany balances and expenses in the profit and loss account

Independent auditors' report

to the members of APTUIT (RICLIV) LIMITED

Disclaimer of opinion on financial statements

Because of the significance of the matter described in the Basis for disclaimer of opinion on financial statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion Accordingly we do not express an opinion on the financial statements

Opinion on other matter prescribed by the Companies Act 2006

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

Arising from the limitation on our work relating to intercompany balances and the profit and loss account, described above

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- we were unable to determine whether adequate accounting records have been kept

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

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

Ernst & Young LLP

Mark Harvey (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Edinburgh

30 August 2013

Profit and loss account

for the period 19 July 2011 to 30 September 2012

Registered number 07710801

	Notes	2012
		£
Goodwill impairment	3	(6,864,045)
Impairment of receivable from group undertaking	2	(4,401,882)
Operating loss		**(11,265,927)**
Unwinding of discount on onerous lease provision	6	(708,997)
Loss on ordinary activities before taxation		**(11,974,924)**
Taxation	7	-
Loss on ordinary activities after taxation		**(11,974,924)**

The results above all related to discontinued operations

There are no recognised gains and losses other than the loss for the period

The notes on pages 10 to 17 form part of these financial statements

Balance sheet

As at 30 September 2012
Registered number 07710801

	Notes	2012 £
Current assets		
Tangible assets held for disposal	4	685,000
Debtors	5	474,021
		1,159,021
Creditors - amounts falling due within one year	6	(13,133,944)
Net current liabilities		**(11,974,923)**
Capital and reserves		
Called up share capital	13	1
Profit and loss account	9	(11,974,924)
Shareholders' deficit	14	**(11,974,923)**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 August 2013

J Fikre
Director

The notes on pages 10 to 17 form part of the financial statements

Cash flow statement

for the period 19 July 2011 to 30 September 2012
Registered number 07710801

	Notes	2012 £
Operating loss		(11,265,927)
Impairment of goodwill	3	6,864,045
Impairment of receivable from group undertaking	2	4,401,882
Decrease in debtors		2,899,232
Increase in creditors		(2,861,732)
Other non cash changes		(37,500)
Net cash flow from operating activities		-
Movement in cash		-

The notes on pages 10 to 17 form part of the financial statements

Notes to the financial statements

for the period 19 July 2011 to 30 September 2012

1 Accounting policies

Basis of preparation

Aptuit (Ricliv) Limited (the "Company") was incorporated on 19 July 2011 and commenced operations on 21 December 2011 after acquiring an owned building on the Livingston site and a long term lease relating to the Riccarton site from Aptuit (Edinburgh) Limited ("AEL"), as further described in note 3 The Company's only activity is the disposal of the building acquired, it was not established to enter into trading activities and will be liquidated after the disposal of the building

As a result, the financial statements have not been prepared on a going concern basis The financial statements have been prepared on a break up basis, reflecting all assets at their realisable value and all assets and liabilities being classified as current assets and liabilities and provision has been made for all foreseeable closure costs No additional liabilities have arisen since the establishment of the Company

The financial year begins on 1 October and ends on 30 September of each year, except for the year of incorporation which covers the period from 19 July 2011 to 30 September 2012

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom The principal accounting policies are set out below and have been applied consistently throughout the period

Acquisition accounting

Business combinations are accounted for by acquisition accounting The identifiable assets and liabilities of the Company acquired are included in the balance sheet at their fair value at the date of acquisition, and its results included in the profit and loss account from the date of the acquisition The difference between the fair value of the consideration given and the fair values of the net assets of the entity acquired is accounted for as goodwill

Deferred tax

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods 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 an undiscounted basis

Notes to the financial statements

for the period 19 July 2011 to 30 September 2012

1. Accounting policies (continued)

Goodwill

Goodwill represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired Under the accounting standard FRS 10 "Goodwill and Intangible assets", goodwill arising on the acquisition has been capitalised and is being amortised on a straight line basis over a period not exceeding 20 years, being the expected period of benefit The Company evaluates the carrying value of goodwill annually to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account

Onerous lease provision

Provision is made for onerous leases where it is considered that the unavoidable costs of the lease obligations are in excess of the economic benefits to be received by it The unavoidable costs of the lease reflect the net costs of exiting from the contract and are measured at the lower of the net present value of the cost of continuing to operate the lease and any penalties or other costs of exiting from it

Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the length of the lease

Related party transactions

The Company has taken advantage of the exemption contained under paragraph 3(c) from the provisions of FRS 8, "Related Party Disclosures", not to disclose transactions entered into between two or more members of a group, provided any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group Refer to note 15

Tangible fixed assets

The assets acquired by the Company are initially recognised at cost less accumulated depreciation and impairment losses As a result of the financial statements being prepared under a break up basis, all assets and liabilities have been recorded at their estimated realisable value

Notes to the financial statements

for the period 19 July 2011 to 30 September 2012

2. Operating loss

	2012
	£
Operating loss is stated after charging	
Impairment of receivable from group undertaking	4,401,882
Goodwill impairment (note 3)	6,864,045
Auditors' remuneration	
- audit services	18,700

The Company's audit fees were paid by group undertaking Aptuit (Oxford) Limited Impairment of receivable from group undertaking results from Company's expectation that the receivable from group undertaking Aptuit (Oxford) Limited will not be settled

3. Acquisitions

The Company was incorporated on 19 July 2011 and commenced operations on 21 December 2011 when it acquired a building and certain lease liabilities from Aptuit (Edinburgh) Limited ("AEL") Under the purchase agreement, the net purchase consideration receivable through a reverse sale was £6,491,023, funded through an intercompany loan payable on demand by AEL

The total adjustments applied to the carrying values of the assets acquired and liabilities assumed to recognise the net assets at fair values and the resultant goodwill in accordance with Company's accounting policy are as follows

	Book value	Fair value adjustments	Fair value on acquisition
	£	£	£
Trade debtors	845,045	(34,954)	810,091
Prepayments	85,378	(85,378)	-
Tangible assets	167,665	517,335	685,000
Other assets	436,520	-	436,520
Assets acquired	**1,534,608**	**397,003**	**1,931,611**
Trade creditors	(821,402)	(285,344)	(1,106,746)
Onerous lease provision	(7,179,487)	(7,000,446)	(14,179,933)
Liabilities assumed	**(8,000,889)**	**(7,285,790)**	**(15,286,679)**
Net liabilities assumed			**(13,355,068)**
Consideration receivable			6,491,023
Goodwill			**6,864,045**

Notes to the financial statements

for the period 19 July 2011 to 30 September 2012

4. Acquisitions (continued)

Following an independent external valuation of the carrying amount of the assets and liabilities at the time of acquisition, an internal valuation exercise determined that the following fair value adjustment was necessary

Trade debtors An adjustment of £34,954 was recognised to reflect any debtor balances not recovered post acquisition

Prepayments: An adjustment of £85,378 was recognised as, on further investigation following the acquisition, it was determined that there were no prepayments in the Oxford site at the date of acquisition

Tangible assets: The adjustment of £517,335 reflects the adjustment needed to bring the tangible assets acquired in line with their fair market value at the date of acquisition

Trade creditors· An adjustment of £285,344 was recognised to account for additional accruals at the date of acquisition

Onerous lease provision: An adjustment of £7,000,446 to the value of the onerous lease liability per the valuation report of £7,179,487 was considered necessary The Company determined that the property required more expenditure than any potential value that it could benefit from this property and considered this property to be an onerous lease The Company performed onerous lease calculations using a discount rate of 5% and included cash flows related to the lease, including rental payments, council tax, utility bills, maintenance charges and demolition charges

No other fair value adjustments were considered necessary

Subsequent to the acquisition date, while assessing the recoverability of goodwill recognised from the acquisition, the Company determined that the carrying value of goodwill is more than its recoverable amount The full amount of goodwill recognised an acquisition of £6,864,045 has been impaired at 30 September 2012 This impairment of goodwill is consistent with the recognition of all assets and liabilities at their net realisable value under the break up basis of accounting

5 Tangible assets held for disposal

Upon acquisition, the property owned by the Company was considered held for disposal and no depreciation was provided during the period The property was held at its estimated realisable value of £685,000 This property is being actively marketed for sale as of the reporting date

6. Debtors

Amounts falling due within one year	**2012**
	£
Amounts due from group undertakings	1
Deposits	474,020
	474,021

Deposits are paid in relation to the Company's tangible asset held for disposal and include a lease deposit and utilities deposit Amounts due from group undertakings relate to consideration of £1 is receivable from Aptuit LLC for share capital, refer to note 13

Notes to the financial statements

for the period 19 July 2011 to 30 September 2012

7. Creditors – amounts falling due within one year

	Onerous lease provision £
At 19 July 2011 (see note 3)	14,179,933
Amounts used during period	(1,754,986)
Unwinding of discount	708,997
At 30 September 2012	**13,133,944**

A provision is required for the onerous lease relating to the land and buildings owned and leased from Heriot Watt University It is considered to be an onerous lease because it requires more expenditure than the economic benefits expected to be received from it The property is vacant and it is not in a condition to be rented to third parties without significant investment Cash flows relating to rental payments and other items related to this property, such as ground rental payments, council tax, utility bills, maintenance charges and demolition charges are discounted at a rate of 5% The ground lease agreement expires in June 2074 Each reporting period, the unwinding of the provision is reflected in the profit and loss account Amounts used during the period reduce the provision and are settled by making payments effected with amounts due to group undertakings because the Company does not hold any balance of cash at hand and in bank

8. Taxation

	2012 £
Current tax:	
UK corporation tax on loss for the period	-
Total current tax	-
Deferred tax:	
Reversal and origination of timing differences	-

Factors affecting the tax charge for the current period

The tax assessed for the period is higher than the standard effective rate of corporation tax in the UK of 24 72% for the period ended 30 September 2012 The differences are explained below

	2012 £
Loss on ordinary activities before tax	(11,974,924)
Tax on loss at standard UK tax rate of 24 72%	(2,959,697)
Effects of	
Expenses not deductible for tax purposes	2,784,463
Items not deductible for tax purposes	175,234
Current tax charge/(credit) for the period	-

Notes to the financial statements

for the period 19 July 2011 to 30 September 2012

Factors that may affect future tax charges

The government has announced that it intends to reduce the rate of UK corporation tax to 20% by 1 April 2015 The rate of corporation tax reduced from 28% to 26% on 1 April 2011 and a reduction to 24%, effective from 1 April 2012, was included in the Finance Act that was substantively enacted on 3 July 2012 A further reduction in the corporation tax rate to 23%, effective from 1 April 2013, was also included in the Finance Act

Further changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013 These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015

9. Reconciliation of net cash flow to movement in net debt

The Company does not have a balance of cash at bank and in hand at the reporting date The Company does not have any items considered to be net debt at the reporting date Hence, no reconciliation of net cash flow to net debt is presented

10. Reserves

	Profit and loss account £
At 21 December 2011	-
Loss for the period	(11,974,924)
At 30 September 2012	**(11,974,924)**

11. Commitments

At 30 September 2012, the Company had annual commitments under non-cancellable operating leases which will result in the following payments

	Building £
Within one year	232,387
Within two to five years	929,548
After five years	13,246,059
	14,407,994

The Company has no capital commitments at the reporting date other than the commitments for demolition charges which are included in the calculation of the onerous lease provision, refer to note 6

Notes to the financial statements

for the period 19 July 2011 to 30 September 2012

12. Directors' emoluments

The parent company Aptuit LLC paid for the Directors' services to the Company without a recharge to the Company Directors received compensation of £781,739 ($1,172,608 translated to sterling at the average exchange rate for the reporting period)

The highest paid Director received a total remuneration of £250,000 for the period

The Company does not have any employees

13. Contingent liabilities

The Company did not identify any contingent liabilities as at 30 September 2012

14. Share capital

	2012
Allotted, called up and fully paid	**£**
1 Ordinary shares of £1 each	1
	1

On 19 July 2011, one ordinary share was issued following the establishment of the Company (as further described in note 3) The nominal value of the share was £1 and the consideration of £1 is receivable from Aptuit LLC

15. Reconciliation of movement in shareholders' deficit

	Period ending 30 September 2012 £
Loss for the period	(11,974,924)
Funds receivable from issue of share capital (see note 13)	1
Net addition to shareholders' deficit	(11,974,923)
Closing shareholders' deficit	(11,974,923)

16. Related party transactions

The Company had no other related party transactions during the period which require disclosure in accordance with FRS 8 The Company provides no remuneration or compensation in any form to those Directors employed by its parent company

17. Ultimate parent undertaking

Notes to the financial statements

for the period 19 July 2011 to 30 September 2012

The immediate parent undertaking of the Company is Aptuit LLC The ultimate parent undertaking and controlling party of the Company and Aptuit LLC is Welsh, Carson, Anderson and Stowe