

**MERIT MERRELL TECHNOLOGY
LIMITED**

Report and Financial Statements

30 September 2005



REPORT AND FINANCIAL STATEMENTS 2005

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C Berriman
J Mulcahy
A Wells

SECRETARY

N Walton

REGISTERED OFFICE

Unit 1
Silverlink Business Park
The Silverlink
Wallsend
Tyne and Wear
NE29 9ND

SOLICITORS

Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

BANKERS

Bank of Scotland
Earl Grey House
75 Grey Street
Newcastle upon Tyne
NE1 6EF

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Newcastle upon Tyne

DIRECTORS' REPORT

The directors present their report on the affairs of the company together with the financial statements and auditors report for the year ended 30 September 2005.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were Clean Technology facility design, installation and project management.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors are pleased with the profitability in Turn Key Cleanroom Construction, Biotechnology and Nanotechnology. The strategy to maintain future growth involves further diversification into Turn Key Cleanroom construction, and maintaining growth into new markets, for example Biotechnology, and focusing on direct relationships with Blue Chip clients.

There is still the emphasis on attracting key staff and the implementation of advanced business controls and strategic business development.

The company now has the stable platform and the client base to accelerate the growth still further.

RESULTS AND DIVIDENDS

The results for the year are set out on page 5. The directors do not propose a dividend for the year (2004 £nil).

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year and their interests in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	30 September 2005	1 October 2004
C Berriman	-	-
J Mulcahy	-	-
A Wells	-	-

The interests of the directors in the parent company are disclosed in that company's accounts.

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Director

10 April 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial period 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;
- 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.

Approved by the Board of Directors
and signed on behalf of the Board



Director

10 Apr 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERIT MERRELL TECHNOLOGY LIMITED

We have audited the financial statements of Merit Merrell Technology Limited for the year ended 30 September 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, 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 of the state of the company's affairs as at 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.


Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

10 April 2006

PROFIT AND LOSS ACCOUNT
Year ended 30 September 2005

	Note	Year ended 30 September 2005 £	17 months ended 30 September 2004 £
TURNOVER	1	5,807,899	2,401,859
Cost of sales		(5,781,199)	(2,225,881)
GROSS PROFIT		26,700	175,978
Administrative expenses		(16,159)	(4,608)
OPERATING PROFIT	3	10,541	171,370
Interest payable and similar charges		-	(107)
Interest received		8,711	750
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		19,252	172,013
Tax on profit on ordinary activities	4	(3,574)	(32,682)
RETAINED PROFIT FOR THE FINANCIAL YEAR/PERIOD	8	15,678	139,331

All amounts derive from continuing operations.

There have been no recognised gains and losses attributable to the shareholders other than the result for the current and preceding financial period and accordingly, no statement of total recognised gains and losses has been presented.

BALANCE SHEET
30 September 2005

	Note	2005 £	2004 £
CURRENT ASSETS			
Debtors	5	1,315,568	1,292,051
Cash at bank and in hand		<u>40,847</u>	<u>150,583</u>
		1,356,415	1,442,634
CREDITORS: amounts falling due within one year	6	<u>(1,200,906)</u>	<u>(1,302,803)</u>
		<u>155,509</u>	<u>139,831</u>
CAPITAL AND RESERVES			
Called up share capital	7	500	500
Profit and loss account	8	<u>155,009</u>	<u>139,331</u>
EQUITY SHAREHOLDERS' FUNDS	9	<u>155,509</u>	<u>139,831</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors

10/4/06.

Director

NOTES TO THE ACCOUNTS

Year ended 30 September 2005

1. ACCOUNTING POLICIES

The particular accounting policies adopted are described below. They have all been applied consistently in the current year and prior financial period.

Basis of accounting

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

Turnover

Turnover comprises the invoiced goods and services supplied by the company arising in the United Kingdom and takes account the stage of completion of the contracts in progress, excluding value added tax.

Cashflow statement

The company has taken advantage of exemptions under FRS1 – cashflow statements, not to prepare a cashflow statement.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax or a right to pay less tax at a future date at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those which are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax assets and liabilities are not discounted.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors of the company are also directors of Merit Process Engineering Limited. The directors received total emoluments of £258,441 (2004 - £226,346) from Merit Process Engineering Limited during the year ended 30 September 2005. It is not practicable to allocate these between their services of this company and their services of other group companies.

3. OPERATING PROFIT

	Year ended 30 September 2005 £	17 months ended 30 September 2004 £
This is stated after charging:		
Auditors' remuneration	5,000	5,000

NOTES TO THE ACCOUNTS
Year ended 30 September 2005

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 30 September 2005 £	17 months ended 30 September 2004 £
United Kingdom corporation tax at 19% (2004 – 19%) based on the profit for the period	3,385	32,682
Adjustment in respect of prior years	189	-
	<u>3,574</u>	<u>32,682</u>
Profit on ordinary activities before tax	<u>19,252</u>	<u>172,023</u>
Tax at 19% thereon	-	32,682
Marginal relief	(273)	-
Prior period adjustments	189	-
	<u>3,574</u>	<u>32,682</u>

5. DEBTORS

	2005 £	2004 £
Trade debtors	1,258,821	1,266,577
Other taxation and social security	30,372	-
Other debtors	26,375	25,474
	<u>1,315,568</u>	<u>1,292,051</u>

All amounts are due within one year.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade creditors	49,552	2,850
Amounts owed to group companies	1,146,219	1,264,296
Other taxation and social security	-	1,225
Corporation tax	3,385	32,682
Accruals and deferred income	1,750	1,750
	<u>1,200,906</u>	<u>1,302,803</u>

7. CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised		
500 ordinary shares of £1 each	<u>500</u>	<u>500</u>
Called up, allotted and fully paid		
500 ordinary shares of £1 each	<u>500</u>	<u>500</u>

NOTES TO THE ACCOUNTS
Year ended 30 September 2005

8. STATEMENT OF MOVEMENT ON RESERVES

Profit and loss account	£
Balance at 1 October 2004	139,331
Profit for the year	<u>15,678</u>
Balance at 30 September 2005	<u><u>155,009</u></u>

9. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the year/period	<u>15,678</u>	<u>139,331</u>
Net addition to equity shareholders' funds	15,678	139,331
Opening equity shareholders' funds	<u>139,831</u>	<u>500</u>
Closing equity shareholders' funds	<u><u>155,509</u></u>	<u><u>139,831</u></u>

10. ULTIMATE CONTROLLING PARTY

In the opinion of the directors the ultimate controlling party is Merit Holdings Limited, a company incorporated in England. Copies of the financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

11. RELATED PARTY TRANSACTIONS

During the year the company made purchases from a fellow subsidiary company, Merit Process Engineering Limited all subject to an arms length agreement. The amount involved was £5,781,199 (2004: £2,225,881) At the period end the company owed Merit Process Engineering Limited £1,146,219 (2004: £1,264,296).