

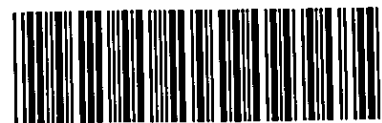
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**MERIT MERRELL TECHNOLOGY  
LIMITED**

**Report and Financial Statements**

**30 September 2006**

MONDAY



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30/07/2007  
COMPANIES HOUSE

# **MERIT MERRELL TECHNOLOGY LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2006**

<b>CONTENTS</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Statement of directors' responsibilities</b>	<b>4</b>
<b>Independent auditors' report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Notes to the accounts</b>	<b>8</b>

# **MERIT MERRELL TECHNOLOGY LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

C Berriman  
A Wells  
K Hynes (Appointed 24 April 2006)

### **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 2006, which has been prepared in accordance with the special provisions relating to small companies under S246(4) Companies Act 1986

### **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 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 6. The directors do not propose a dividend for the year (2005 £nil)

### **DIRECTORS AND THEIR INTERESTS**

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

	Ordinary shares of £1 each	
	30 September 2006	1 October 2005
C Berriman	-	-
J Mulcahy (Resigned 7 March 2006)	-	-
A Wells	-	-
K Hynes (Appointed 24 April 2006)	-	-

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

### **AUDITORS**

Each of the directors at the date of approval of this report separately confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the 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 auditors are aware of that information

**DIRECTORS' REPORT**

**AUDITORS**

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Deloitte & Touche LLP have expressed their willingness to continue as auditors of the company 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

*C. Benier*

Director

30 July 2007

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the directors are required to

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether applicable accounting standards have been followed and
- (d) 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 by order of the Board



Secretary

30 July 2007

# Deloitte.

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

We have audited the company's financial statements for the year ended 30 September 2006 which comprise the profit and loss account, balance sheet and the related notes 1 to 11. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom 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 United Kingdom 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, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statement. 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 other information contained in the Directors Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

### Basis of audit opinion

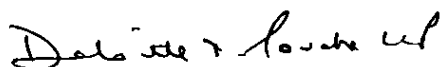
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2006 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.



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

30 Sep 2007

# MERIT MERRELL TECHNOLOGY LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 30 September 2006

	Note	Year ended 30 September 2006 £	Year ended 30 September 2005 £
<b>TURNOVER</b>	1	8,897,219	5,807,899
Cost of sales		(8,808,571)	(5,781,199)
<b>GROSS PROFIT</b>		88,648	26,700
Administrative expenses		(17,064)	(16,159)
<b>OPERATING PROFIT</b>	3	71,584	10,541
Interest payable and similar charges			-
Interest received		4,985	8,711
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		76,569	19,252
Tax on profit on ordinary activities	4	(16,448)	(3,574)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	8	60,121	15,678

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 year and accordingly, no statement of total recognised gains and losses has been presented



# MERIT MERRELL TECHNOLOGY LIMITED

## BALANCE SHEET 30 September 2006

	Note	2006 £	2005 £
<b>CURRENT ASSETS</b>			
Debtors	5	2,675,615	1,315,568
Cash at bank and in hand		<u>65,777</u>	<u>40,847</u>
		2,741,392	1,356,415
<b>CREDITORS: amounts falling due within one year</b>	6	<u>(2,525,762)</u>	<u>(1,200,906)</u>
		<u>215,630</u>	<u>155,509</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	500	500
Profit and loss account	8	<u>215,130</u>	<u>155,009</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	9	<u>215,630</u>	<u>155,509</u>

These financial statements were approved by the Board of Directors on

Approved by and signed on behalf of the Board of Directors

*C. B. ...*

Director 30 July 2007

**NOTES TO THE ACCOUNTS**

**Year ended 30 September 2006**

**1. ACCOUNTING POLICIES**

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

**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 of the stage of completion of the contracts in progress, excluding value added tax.

**Cash flow statement**

The company has taken advantage of the exemptions available to small companies, not to disclose a cash flow statement and associated notes.

**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 received total emoluments of £577,626 (2005 - £258,441) from Merit Process Engineering Limited during the year ended 30 September 2006. 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 2006 £	Year ended 30 September 2005 £
This is stated after charging		
Auditors' remuneration	5,500	5,000

# MERIT MERRELL TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS Year ended 30 September 2006

### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 30 September 2006 £	Year ended 30 September 2005 £
United Kingdom corporation tax at 19% (2005 – 19%) based on the profit for the period	16,448	3,385
Adjustment in respect of prior years	-	189
	<u>16,448</u>	<u>3,574</u>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	Year ended 30 September 2006 £	Year ended 30 September 2005 £
Profit on ordinary activities before tax	76,569	19,252
Tax at 19% thereon	14,548	-
Marginal relief	-	(273)
Prior period adjustments	-	189
Expenses not deductible for tax purposes	1,900	-
Tax charge for the year	<u>16,448</u>	<u>3,574</u>

### 5. DEBTORS

	2006 £	2005 £
Trade debtors	2,649,067	1,258,821
Other taxation and social security	1,073	30,372
Other debtors	25,475	26,375
	<u>2,675,615</u>	<u>1,315,568</u>
All amounts are due within one year		

### 6. CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade creditors	10,251	49,552
Amounts owed to group companies	2,490,511	1,146,219
Other taxation and social security	1,302	-
Corporation tax	16,448	3,385
Accruals and deferred income	7,250	1,750
	<u>2,525,762</u>	<u>1,200,906</u>

# MERIT MERRELL TECHNOLOGY LIMITED

## NOTES TO THE ACCOUNTS Year ended 30 September 2006

### 7. CALLED UP SHARE CAPITAL

	2006 £	2005 £
<b>Authorised</b>		
500 ordinary shares of £1 each	500	500
<b>Called up, allotted and fully paid</b>		
500 ordinary shares of £1 each	500	500

### 8. STATEMENT OF MOVEMENT ON RESERVES

<b>Profit and loss account</b>	<b>£</b>
Balance at 1 October 2005	155,009
Profit for the year	60,121
Balance at 30 September 2006	215,130

### 9. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2006 £	2005 £
Profit for the year	60,121	15,678
Net addition to equity shareholders' funds	60,121	15,678
Opening equity shareholders' funds	155,509	139,831
Closing equity shareholders' funds	215,630	155,509

### 10. CONTROLLING PARTY

In the opinion of the directors the immediate and ultimate controlling party is Merit Holdings Limited, a company incorporated in England. Copies of the financial statements are available from Companies House, Crown Way, Maundy, 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 £8,897,219 (2005 £5,781,199). At the period end the company owed Merit Process Engineering Limited £2,490,947 (2005 £1,177,518).