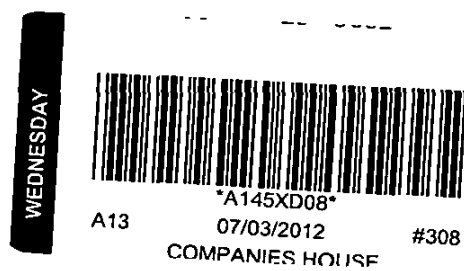


Company Registration No. 4408755

**MERIT MERRELL TECHNOLOGY
LIMITED**

Annual Report and Financial Statements

30 September 2011



MERIT MERRELL TECHNOLOGY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2011

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MERIT MERRELL TECHNOLOGY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C Berriman
A Wells
K Hynes
M McGrady
R Pratt

SECRETARY

N Berriman

REGISTERED OFFICE

3 Silverton Court
Northumberland Business Park
Cramlington
Northumberland
NE23 7RY

SOLICITORS

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

BANKERS

Bank of Scotland plc
41 Grey Street
Newcastle upon Tyne
NE1 6EE

AUDITORS

Deloitte LLP
Chartered Accountants and Registered Auditors
Newcastle upon Tyne

MERIT MERRELL TECHNOLOGY LIMITED

DIRECTORS' REPORT

The directors present their report on the affairs of the company together with the financial statements and auditor's report for the year ended 30 September 2011

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 company has continued to trade within the markets of cleanroom design and build and process pipe work installations. The company also includes mechanical and electrical engineering and bespoke civil construction projects within its core areas.

Although the economy in general suffered a downturn, sales have grown and this has enabled the company to maintain a healthy profit in 2011. This performance is expected to continue through 2012 with existing clients sales and tender successes contributing to what the directors anticipate will be further improved sales levels and profitability. Tender success and external markets will continue to influence the business but the directors are confident of the future success of the business.

The financial performance and position of the company is set out on pages 6 and 7. The company continues to meet its day to day working capital requirements and has a bank overdraft and bond facility which the directors foresee being more than sufficient for the foreseeable future. The company's forecasts and projections take account of known and projected future work and prospects and support this belief.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly we continue to adopt the going concern basis in preparing the annual report and financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The company operates in competitive markets where service, quality of work, price and good working relationships with customers are key value drivers. The directors believe the business to be well positioned to deliver this combination of values to our customers.

Health and Safety Risk

Health and Safety is a critical element of our business philosophy. We actively promote safe working practices with risk assessment/management and employee development being the key platforms for accident prevention.

The company is committed to a healthier and safer environment in the workplace, the community in which it is located and the world in which we live.

Details of the number of employees and related costs can be found in note 2 to the financial statements.

Interest Rate Risk

The company borrows using variable rate debt with the implication that floating rate borrowings are exposed to cash flow risk as costs increase if market rates rise. The directors do not consider there to be any significant exposure in the short or medium term.

Credit Risk

The company's principal financial assets are bank balances and trade and other receivables. The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

The company has no significant concentration of credit risk with exposure spread over a number of counterparties and customers. Additionally the company's credit control system helps to mitigate losses of this nature. As a result, the directors consider that credit risk is appropriately managed.

DIRECTORS' REPORT (continued)

RESULTS AND DIVIDENDS

The results for the year are set out on page 6 The directors do not propose a dividend for the year (2010 £nil)

DIRECTORS

The directors who served throughout the year and since were as follows

C Berriman

A Wells

K Hynes

M McGrady

R Pratt (appointed 11th April 2011)

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte 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



M McGrady
5th March 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual 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 elected to prepare 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 AUDITOR'S 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 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 14. 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).

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 auditors

As explained more fully in the Statement of Directors Responsibilities, 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

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 annual report 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

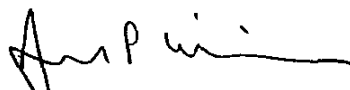
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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, or 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, or
- we have not received all the information and explanations we require for our audit.


David Wilkinson FCA CF (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne, United Kingdom

6 March 2012

MERIT MERRELL TECHNOLOGY LIMITED**PROFIT AND LOSS ACCOUNT**
Year ended 30 September 2011

	Note	2011 £	2010 £
TURNOVER	1	30,737,369	25,597,120
Cost of sales		(29,745,336)	(24,651,380)
GROSS PROFIT		992,033	945,740
Administrative expenses		(622,890)	(263,810)
OPERATING PROFIT	3	369,143	681,930
Interest paid		(7)	-
Interest received		522	17
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		369,658	681,947
Tax on profit on ordinary activities	4	(97,609)	(191,267)
PROFIT FOR THE FINANCIAL YEAR	10	<u>272,049</u>	<u>490,680</u>

All amounts derive from continuing operations

There are no recognised gains and losses for the financial year and for the preceding financial year other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses has been presented.

MERIT MERRELL TECHNOLOGY LIMITED
Company Registration No. 4408755

BALANCE SHEET
30 September 2011

	Note	2011 £	2010 £
CURRENT ASSETS			
Stocks	5	1,451,948	130,600
Debtors	6	19,479,838	28,352,610
Cash at bank and in hand		668,331	478,876
		<u>21,600,117</u>	<u>28,962,086</u>
CREDITORS: amounts falling due within one year	7	(19,808,599)	(27,284,617)
NET CURRENT ASSETS		<u>1,791,518</u>	<u>1,677,469</u>
PROVISIONS FOR LIABILITIES AND CHARGES	8	-	(158,000)
NET ASSETS		<u>1,791,518</u>	<u>1,519,469</u>
CAPITAL AND RESERVES			
Called up share capital	9	500	500
Profit and loss account	10	1,791,018	1,518,969
SHAREHOLDERS' FUNDS	11	<u>1,791,518</u>	<u>1,519,469</u>

These financial statements were approved and authorised for issue by the Board of Directors on 5th March 2012

Approved by and signed on behalf of the Board of Directors



M McGrady

NOTES TO THE ACCOUNTS

Year ended 30 September 2011

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.

Basis of preparation and going concern

The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future. This is disclosed in the Directors' Report under the heading "Review of Developments and Future Prospects". Further the directors are satisfied that the company will continue to successfully manage the principal risks and uncertainties which are also outlined in the Directors' Report under the heading "Principal Risks and Uncertainties".

After making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value.

Where payments are received from customers in advance of services provided, the amounts are recorded as payments received on account and included as part of Creditors due within one year.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value.

All turnover originates in the UK.

Cash flow statement

The company has taken advantage of the exemption available to subsidiary undertakings contained in FRS1 "Cash Flow Statements" not to disclose a cash flow statement and associated notes.

Stocks

Stock is stated at the lower of historical cost and net realisable value.

Long term contracts

The company's contracting activities are regarded as having the attributes of long-term contracts and are treated as follows:

- (i) The amount by which recorded turnover is in excess of payments on account is classified as amounts recoverable on contracts and separately disclosed within debtors.
- (ii) The balance of payments on account in excess of amounts (a) matched with turnover and (b) offset against long term contract balances are classified as payments on account and separately disclosed within creditors.
- (iii) The amount on long-term contracts, at costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses and payments on account not matched with turnover are classified as long-term contract balances and separately disclosed within stocks.
- (iv) Contract cost accruals are included within accruals and deferred income in creditors falling due within one year.
- (v) Foreseeable losses on contracts are included within provisions for contract losses.

NOTES TO THE ACCOUNTS
Year ended 30 September 2011

1. ACCOUNTING POLICIES (continued)

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.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. The translation differences are dealt with in the profit and loss account.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors received total emoluments of £898,109 (2010 - £717,042) from Merit Process Engineering Limited during the year ended 30 September 2011. The highest paid director received £412,976 (2010 - £403,952). It is not practicable to allocate these between their services for this company and their services for other group companies.

The company has no employees. Employees and the associated costs are within Merit Process Engineering Limited.

3. OPERATING PROFIT

	2011	2010
	£	£
This is stated after charging		
Auditor's remuneration – for statutory audit services	5,000	5,000

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2011	2010
	£	£
United Kingdom corporation tax at 27% (2009 – 28%) based on the profit for the year	96,868	190,945
Adjustment in respect of prior years	741	322
	<u>97,609</u>	<u>191,267</u>

MERIT MERRELL TECHNOLOGY LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 2011

4. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

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 are as follows

	2011 £	2010 £
Profit on ordinary activities before tax	369,658	681,947
Tax at 27% (2009 28%) thereon	99,807	190,945
Adjustment in respect of prior years	741	322
Group relief	(2,691)	-
Effects of small profits rate	(248)	-
Tax charge for the year	97,609	191,267

5. STOCKS

	2011 £	2010 £
Net costs less foreseeable losses	1,451,948	130,600
	1,451,948	130,600

6. DEBTORS

	2011 £	2010 £
Trade debtors	9,187,245	5,381,672
Amounts owed by group companies	10,192,593	22,794,888
Amounts recoverable on contracts	100,000	176,050
	19,479,838	28,352,610

All amounts are due within one year

MERIT MERRELL TECHNOLOGY LIMITED

NOTES TO THE ACCOUNTS Year ended 30 September 2011

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade creditors	-	8,777
Amounts owed to group companies	17,910,527	25,762,426
Corporation tax	97,179	190,499
Accruals and deferred income	543,800	852,050
Other taxation and social security	1,257,093	470,365
Other creditors	-	500
	<u>19,808,599</u>	<u>27,284,617</u>

8. PROVISIONS FOR LIABILITIES AND CHARGES

	2011 £
Contract provisions	
Balance at 1 October 2010	158,000
Profit and loss account charge	(158,000)
	<u>-</u>
Balance at 30 September 2011	<u>-</u>

Contract provisions result from long term contracts, and are expected to be utilised within 12 months

9. CALLED UP SHARE CAPITAL

	2011 £	2010 £
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>

MERIT MERRELL TECHNOLOGY LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 September 2011

10. STATEMENT OF MOVEMENT IN RESERVES

Profit and loss account	£
Balance at 1 October 2010	1,518,969
Profit for the year	272,049
Balance at 30 September 2011	<u>1,791,018</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the year	272,049	490,680
Opening shareholders' funds	<u>1,519,469</u>	<u>1,028,789</u>
Closing shareholders' funds	<u>1,791,518</u>	<u>1,519,469</u>

12. PARENT UNDERTAKING AND CONTROLLING PARTY

The company's parent undertaking is Merit Holdings Limited. The accounts of Merit Holdings Limited are available from 3 Silverton Court, Northumberland Business Park, Cramlington, Northumberland, NE23 7RY.

During the year the ultimate controlling parties were the directors of Merit Holdings Limited.

13. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available in FRS 8 "Related Party Disclosures" not to disclose transactions with companies in the same group.

14. CONTINGENT EVENT

A claim for c. £0.3m has been made against the company, which the company rejects. If this claim were to be accepted and settled, the directors deem it more likely than not that an amount of not less than the claim can be reclaimed from another party.