

Company Registration No. 07246160 (England and Wales)

MERITAS DEVELOPMENTS LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2018



MERITAS DEVELOPMENTS LTD

COMPANY INFORMATION

Directors Mr N J Patrick
Mrs L J Radnor
Lord Donald Curry of Kirkharle
Mr R Bell

Secretary A G Secretarial Limited

Company number 07246160

Registered office Coopers Bridge
Braziers Lane
Winkfield Row
Bracknell
Berkshire
RG42 6NS

Auditor RSM UK Audit LLP
Chartered Accountants
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

MERITAS DEVELOPMENTS LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present the strategic report for the year ended 31 March 2018.

During the period the company was acquired by Meritas Group Limited.

Fair review of the business

Meritas Developments Ltd is the parent company of Cawood Scientific Limited, a business which trades in the analytical testing sector specialising in land-based materials and animal health and nutrition via three divisions. The principal performance indicators remain favourable and the future outlook for growth remains positive.

Principal risks and uncertainties

The business operates in the analytical testing sector focusing on land-based materials, animal nutrition products and serology testing. The current and expected future trend within these markets is for a continuing increase in testing as the demand for food production continues to rise, allied to the increased focus on monitoring standards maintained by regulatory authorities and consumer groups. Although financial risks are considered to be minimal at present, future interest rate, liquidity and foreign currency risks could arise and the Board will continue to monitor these risks in the new financial year.

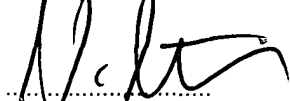
Key performance indicators

Owing to the company's primary activity as a holding company. The directors do not consider there to be appropriate key performance indicators for the business.

Future developments

The directors are not, at the date of this report, aware of any major changes in the company's activities in the next year.

On behalf of the board



Mr N J Patrick

Director

Date: 23/8/18

MERITAS DEVELOPMENTS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities

The principal activity of the company continued to be that of a intermediate parent company to its subsidiary undertakings.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr N J Patrick

Mrs L J Radnor

Lord Donald Curry of Kirkharle

Mr R Bell

(Appointed 26 October 2017)

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

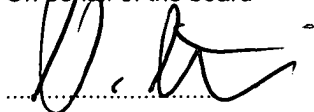
Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr N J Patrick

Director

Date: 23/8/18

MERITAS DEVELOPMENTS LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

The directors are responsible for preparing the Strategic Report and 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 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 judgements and accounting 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 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 MERITAS DEVELOPMENTS LTD

Opinion

We have audited the financial statements of Meritas Developments Ltd (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERITAS DEVELOPMENTS LTD (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

Jonathan Da Costa RSM UK Audit LLP

Jonathan Da Costa FCCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
One London Square
Cross Lanes
Guildford
Surrey, GU1 1UN
23/6/16

MERITAS DEVELOPMENTS LTD

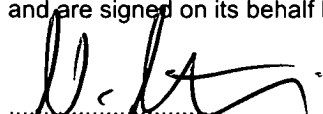
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Turnover	3	772,124	575,385
Administrative expenses		(884,473)	(856,544)
		<hr/>	<hr/>
Operating loss	4	(112,349)	(281,159)
Interest payable and similar expenses	7	(106)	(321,246)
		<hr/>	<hr/>
Loss before taxation		(112,455)	(602,405)
Tax on loss	8	37,351	88,123
		<hr/>	<hr/>
Loss for the financial year		<u>(75,104)</u>	<u>(514,282)</u>

MERITAS DEVELOPMENTS LTD**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investments	9		3,959,720		3,959,720
Current assets					
Debtors	11	20,373		41,513	
Cash at bank and in hand		561,396		582,234	
		<u>581,769</u>		<u>623,747</u>	
Creditors: amounts falling due within one year	12	<u>(5,350,576)</u>		<u>(5,317,450)</u>	
Net current liabilities			<u>(4,768,807)</u>		<u>(4,693,703)</u>
Total assets less current liabilities			<u>(809,087)</u>		<u>(733,983)</u>
Capital and reserves					
Called up share capital	15		2,419		6,000
Share premium account	16		532,760		532,760
Capital redemption reserve	16		3,639		58
Profit and loss reserves	16		<u>(1,347,905)</u>		<u>(1,272,801)</u>
Total equity			<u>(809,087)</u>		<u>(733,983)</u>

The financial statements were approved by the board of directors and authorised for issue on 23/6/18 and are signed on its behalf by:



Mr N J Patrick
Director

MERITAS DEVELOPMENTS LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2016		2,446	536,314	58	(758,519)	(219,701)
Year ended 31 March 2017:						
Loss and total comprehensive income for the year		-	-	-	(514,282)	(514,282)
Reduction of shares	15	-	(3,554)	-	-	(3,554)
Other movements		3,554	-	-	-	3,554
Balance at 31 March 2017		6,000	532,760	58	(1,272,801)	(733,983)
Year ended 31 March 2018:						
Loss and total comprehensive income for the year		-	-	-	(75,104)	(75,104)
Redemption and reduction of shares	15	(3,581)	-	3,581	-	-
Balance at 31 March 2018		2,419	532,760	3,639	(1,347,905)	(809,087)

MERITAS DEVELOPMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Meritas Developments Ltd is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Coopers Bridge, Braziers Lane, Winkfield Row, Bracknell, Berkshire, RG42 6NS.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Meritas Developments Ltd is a wholly owned subsidiary of Meritas Group Holdings Limited and the results of Meritas Developments Ltd are included in the consolidated financial statements of Meritas Group Holdings Limited which are available from Coopers Bridge, Braziers Lane, Winkfield Row, Bracknell, RG42 6NS.

MERITAS DEVELOPMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Going concern

The company meets its day to day working capital requirements through support from other entities within the group. The group has indicated that it will continue to provide ongoing financial support to the company as well as providing intercompany financing.

The directors have prepared forecasts for the company for a period of 12 months from the date of approval of these financial statements. These forecasts take account of reasonable possible changes in trading performance in all areas of the business.

These forecasts and projections show that the company is expected to be able to operate within the level of its current facilities and in the view of the directors there is significant headroom under the committed facility to enable the group to trade.

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 financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

MERITAS DEVELOPMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

MERITAS DEVELOPMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no critical accounting judgements and estimation uncertainty based on historical experience and other factors, including expectations of future events.

3 Turnover and other revenue

The directors consider there to be only one material class of business, relating to the provision of services, and one geographical market in which the company trades.

4 Operating loss

	2018	2017
	£	£
Operating loss for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	3,500	3,000
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018	2017
	Number	Number
Administration and management	5	4
	<u> </u>	<u> </u>

MERITAS DEVELOPMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

5 Employees (Continued)

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	615,769	394,427
Social security costs	75,375	45,073
Pension costs	26,227	23,378
	<u>717,371</u>	<u>462,878</u>

6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	565,849	300,749
Company pension contributions to defined contribution schemes	23,800	21,000
	<u>589,649</u>	<u>321,749</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2017 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	190,507	139,640
Company pension contributions to defined contribution schemes	11,800	10,800
	<u>202,307</u>	<u>150,440</u>

7 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	106	46,846
Other interest on financial liabilities	-	274,400
	<u>106</u>	<u>321,246</u>

MERITAS DEVELOPMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

8 Taxation

	2018 £	2017 £
Current tax		
Adjustments in respect of prior periods	(22,615)	-
Group tax relief	(12,798)	(88,123)
Total current tax	(35,413)	(88,123)
Deferred tax		
Origination and reversal of timing differences	(1,938)	-
Total tax credit	(37,351)	(88,123)

The total tax credit for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2018 £	2017 £
Loss before taxation	(112,455)	(602,405)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	(21,366)	(120,481)
Tax effect of expenses that are not deductible in determining taxable profit	6,403	32,358
Effect of change in corporation tax rate	227	-
Under/(over) provided in prior years	(22,615)	-
Taxation credit for the year	(37,351)	(88,123)

9 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	10	3,959,720	3,959,720

MERITAS DEVELOPMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

10 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 are as follows:

Name of undertaking	Nature of business	Class of shares held	% Held	
			Direct	Indirect
Cawood Scientific Limited	Analytical testing	Ordinary	100.00	
Scianteq Analytical Services Limited	Analytical testing of animal nutrition materials	Ordinary		100.00
Natural Resource Management Limited	Analytical testing of land based materials	Ordinary		100.00
Sci-Tech Laboratories Limited	Analytical testing of animal health materials	Ordinary		100.00
Mambo-Tox Limited	Analytical testing of terrestrial ecotoxicology	Ordinary		100.00
Sci-Tech (Ireland) Limited	Analytical testing	Ordinary		100.00
Initial Projects Limited	Provision of specialist environmental services	Ordinary		100.00
Enitail Water Ltd	Dormant	Ordinary		100.00
Enitail Ltd	Dormant	Ordinary		100.00

The registered office for each of the subsidiaries listed above is Coopers Bridge, Braziers Lane, Winkfield Row, Berkshire, RG42 6NS.

11 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Amounts owed by group undertakings	16,800	-
Other debtors	1,635	41,513
	<u>18,435</u>	<u>41,513</u>
Deferred tax asset (note 14)	1,938	-
	<u>20,373</u>	<u>41,513</u>

12 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	9,700	15,269
Amounts due to group undertakings	5,117,162	5,103,958
Other taxation and social security	20,989	12,728
Accruals and deferred income	202,725	185,495
	<u>5,350,576</u>	<u>5,317,450</u>

MERITAS DEVELOPMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

13 Retirement benefit schemes

	2018	2017
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	26,227	23,378

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At 31 March 2018, amounts totalling £11,140 (2017 - £nil) remained unpaid in respect of the defined contribution schemes.

14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2018 £	Assets 2017 £
Balances:		
Short term timing differences	1,938	-
Movements in the year:		2018 £
At 1 April 2017		-
Credit to profit or loss		(1,938)
Asset at 31 March 2018		(1,938)

The deferred tax asset set out above is expected to reverse within the foreseeable future and relates to the utilisation of tax losses against future expected profits of the same period.

15 Share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid		
241,859 (2017: 600,000) Ordinary shares of 1p each	2,419	6,000

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

During the year the company redeemed 385,141 ordinary shares with a nominal value of £3,581.

MERITAS DEVELOPMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

16 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

17 Financial commitments, guarantees and contingent liabilities

The company has a fixed and floating charge over all its assets as security against its parent entity, Meritas Group Holdings Limited, defaulting on the repayment of its loan notes with an outstanding principal and accrued interest balance at 31 March 2018 of £6,376,616. Interest is accrued on these loan notes quarterly at a rate of 8% per annum.

In addition the company has given a fixed and floating charge over all its properties as security against the group's credit facility, at 31 March 2018 the outstanding amount owed was £22,000,000. This facility attracts interest at a rate of LIBOR plus 6.5% per annum.

Also during the year the company was included within a VAT group with other group entities, the total liability of this VAT group at 31 March 2018 is £665,408.

The company has given guarantees to other entities in the group in relation to certain loan notes and inter group creditors.

18 Related party transactions

During the period the company paid fees of £nil (2017: £45,500) to NVM Private Equity Limited for the services of Mr K Cockwill as a director, and for monitoring services. Interest of £nil (2017: £220,000) was also paid.

During the period the company paid £nil (2017: £8,870) to entities with control over the company, for investment monitoring fees.

19 Controlling party

The company's immediate parent undertaking is Meritas Group Limited, a company registered in England and Wales.

The smallest group in which the results of the company are consolidated is that headed by Meritas Group Holdings Limited. Copies of the financial statements of Meritas Group Holdings Limited can be obtained from its registered office of Coopers Bridge, Braziers Lane, Winkfield Row, Bracknell, RG24 6NS, or from the Registrar of Companies, Companies House.

The largest group in which the results of the company are consolidated is that headed by Inflexion TIC Services Holdings LLP. Copies of the financial statements of Inflexion TIC Services Holdings LLP can be obtained from its registered office of 9 Mandeville Place, London, W1U 3AY, or from the Registrar of Companies, Companies House.

The directors consider there not to be a singular ultimate controlling entity or controlling party.