Company Registration No. 10586756 (England and Wales)

MERITAS GROUP HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2021

MERITAS GROUP HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr S Parrington Mr S Stevenson Mr R McPheeters Mr W Welch
Company number	10586756
Registered office	Coopers Bridge Braziers Lane Winkfield Berkshire RG42 6NS

MERITAS GROUP HOLDINGS LIMITED

STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021

The directors present the strategic report for the nine month period ended 31 December 2021, which has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to the Company and its subsidiary undertakings when viewed as a whole. Meritas Group Holdings Limited is the holding company of the Cawood Scientific Group.

Fair review of the business

The group is an independent provider of analytical testing and sampling services for land-based industries, with a well-established reputation for the provision of high quality accredited analytical testing and sampling services.

The group offers a complete analytical solution to our customers across the agricultural, animal nutrition, horticultural, amenity, environmental and related industries.

The curent period was a transformational year for the Group with four acquisitions, ELAB, i2L Research, IES and Chemtech, which continued into January 2022 with two further acquisitions, EMS and IAS.

Waterland Private Equity sold its entire stake in the Group to Ensign-Bickford Industries Inc ("EBI") on 12 November 2021. Headquartered in Denver, Colorado, EBI is a 185-year-old privately held corporation with diversified businesses in aerospace and defence, molecular diagnostics, and pet food palatability markets. It is one of the world's oldest privately owned companies. This year it has tripled its Research business unit through the acquisition of i2L Research and IES Ltd, as well as consolidating its position in environmental analysis with the acquisition of Elab. It will now become a member of EBI's Agriculture and Environmental Diagnostics Group.

Principal risks and uncertainties

The Group operates in the analytical testing sector focusing on the land-based, industries, infrastructure, agrochemical contract research, 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. Financial risks include interest rate, liquidity and foreign currency risks. The board continues to monitor these risks.

Cash flow and credit risk

The Group manages credit and cash flow risk by policies concerning credit offered to clients and regular monitoring of amounts outstanding for both time and credit limits. The Company has no significant concentration of credit risk, with exposure spread over a large number of clients.

Interest risk

During the prior year, the group was acquired by Ensign Bickford Industries Inc. The term loan and Revolving Credit Facility associated with the previous owner, Waterland Private Equity, were repaid in connection with the acquisition by Ensign Bickford Industries Inc. During the period Ensign Bickford Industries Inc. extended a fixed rate intercompany loan facility to the group.

Financial risk

Arrangements for capital expenditure are managed in part through hire purchase arrangements.

Development and performance

The group uses a number of indicators to address performance. The key financial performance indicators include EBITDA, profitability and working capital. The key non-financial performance indicator being efficiency. The main indicators are sales, gross margin % and debtor days.

These KPIs for the period ended 31 December 2021 are as follows:

	Nine month period ended 31 December 2021	**Year ended 31 March 2021**
Sales £'000	29,267	27,732
Gross margin	78.22%	76.91%
Debtor days	86	71
Group loss £'000	12,934	11,905

Debtor Days for the nine months ended 31 December 2021 has been adjusted to eliminate the impact of business combinations.

Employee engagement
The group supports the development of its employees through a combination of internal and external training. Many of our managers and team leaders have progressed from within the organisation.

Stakeholders

The group works hard to communicate its progress to its stakeholders. Key stakeholders include customers, employees, partners, suppliers, shareholders and our banks.

Customer Focus is a core value for the company leading to long term relationships with our customers. we engage with them on a regular basis to share progress, understand requirements and to ensure we are meeting their needs in addition to regular customer surveys measuring our performance.

Employees are valued and involved in decision making where applicable, our culture is open, our strategy and progress is openly shared.

We operate with a high degree of integrity ensuring that employees, customers and suppliers are valued and understand their importance to us.

We take our interaction with the environment seriously and have a number of measures in place to mitigate our impact including reducing what we send to landfill and our carbon footprint in terms of travel.

Business Relationships

Regular discussions with all stakeholders ensure that decision making and strategy development by management is influenced by customers, colleagues and partners where applicable.

Future developments

The directors believe the market will continue to evolve, driven by a combination of regulation, cost, an increasing awareness of the environment and a focus on crop yields. Looking forwards, the directors believe that the group is well positioned to gain revenue share in many of its markets as it expands its footprint via investment in the following areas:

- organic growth via the offer of wider services to existing clients and new customers ;
- development of new technical testing and new methods to improve efficiencies;
- the acquisition of businesses complementary to the company's core service offering.

The group has established comprehensive business plans to ensure it has sufficient information relating to the business and its ability to generate sufficient profits and cash to cover its ongoing commitments.

STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021

Covid-19

The impact of COVID-19 on the company has decreased with the vaccine rollout and trade has returned to pre-COVID-19 levels. The directors continue to review the impact of COVID-19 on the company and react accordingly. The directors believe that the company has sufficient prospect of trade combined with an undertaking from Ensign Bickford industries Inc. to provide financial support, such that the company is able to continue to trade for a period of no less than twelve months from the approval of these financial statements.

The directors consider the group to be a going concern on the basis detailed in note 1 to the financial statements.

Impact on brexit

In June 2016, a UK referendum resulted in a vote for the country to leave the European Union and the resultant uncertainty adds to the challenges faced by UK business. This uncertainty may lead to volatility in markets with potential fluctuations in foreign exchange rates and interest rates. The majority of the group's sales are within the UK and where purchases are made, stocks are being increased to minimise the impact. Overall, management assesses the direct impacts on the company to be minimal in the short term. No significant changes to the company's operations are expected.

Post balance sheet events

During January 2022, subsidiary company Cawood Scientific Limited completed the acquisitions of two companies; Express Microbiology Limited and Independent Analytical Supplies Limited for a total combined consideration of £6m.

On behalf of the board

Mr S Parrington
Director

6 February 2023

MERITAS GROUP HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the period to 31 December 2021. In the prior year the company presents its comparative financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the company and group is of an intermedate holding company.

Results and dividends

The results for the period are set out in the financial statements commencing on page 13.

Directors

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

Mr S R Stevenson
Mr S Parrington
Mr JH Smith (Resigned 31 December 2022)
Mr R McPheeters (Appointed 12 November 2021)
Mr W Welch (Appointed 12 November 2021)
Mr M Hanson (Resigned 31 May 2022)
Lord Donald Curry of Kirkhale (Resigned 12 November 2021)
Mr N J Patrick (Resigned 12 November 2021)
Mrs L J Radnor (Resigned 12 November 2021)

Research and development

During the period the group expensed £3,000 of R&D expenditure to profit or loss (March 2021: £12,000).

Employee involvement

The group's policy is to consult and discuss with employees, staff councils and at meetings, matters likely to affect employees' interests.
Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

MERITAS GROUP HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021

Energy and carbon reporting

The group is committed to reducing its energy consumption and carbon footprint whilst complying with environmental laws. This report sets out the group's energy use and greenhouse gas ("GHG") data for the period ended 31 December 2021, which the group is required to provide in accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Streamlined Energy and Carbon Report "SECR") Regulations 2018

01/04/21 – 31/12/21	tCO2e	tCO2e %
Scope 1 (Direct Greenhouse gas emissions)	443.9	47%
Scope 2 (Energy indiect emissions)	485.9	51%
Scope 3 (Other indirect emissions)	15.6	2%
Gross Emissions	945.4	100%
Renewable Electricity	-118.5	-13%
Exported Solar Electricity	-5.4	-1%
Carbon Offset Credits	0.0	0%
Carbon Footprint	821.5	-87%
Intensity Measure	**Intensity Ratio**	**Intensity Ratio Target**
Scope 1 & 2 tCO2e/£M Revenue	31.8	36.8
Scope 1 & 2 tCO2e/FTE	1.9	2.3

01/04/20 – 31/03/21	tCO_2e	tCO_2e %
Scope 1 (Direct Greenhouse gas emissions)	522.4	48%
Scope 2 (Energy indiect emissions)	554.9	50%
Scope 3 (Other indirect emissions)	21.6	2%
Gross Emissions	**1,098.80**	**100%**
Renewable Electricity	-118.5	-11%
Exported Solar Electricity	-10.3	-1%
Carbon Offset Credits	-1,000.00	-91%
Carbon Footprint	**-30**	**-3%**

Intensity Measure	Intensity Ratio	Intensity Ratio Target
Scope 1 & 2 tCO2e/£M Revenue	38.7	36.8
Scope 1 & 2 tCO2e/FTE	2.4	2.3

Review of the Period

Through this calculation our gross carbon emissions for the period were found to be 945 tCO2e (prior period 1,099 tCO2e). In the current period we elected not to purchase carbon credit offsets (prior period 1,000 tCO2e) which significantly increased our net carbon footprint to 822 tCO2e (prior period -30 tCO2e)

We continue to use two measures which is a method of normalising our emissions that allows comparison year-on-year and against other organisations both within and outside our industry. In the current period tCO2e per million pounds of revenue (tCO2e/£M) intensity measure decreased to 31.8 (prior period 38.7 tCO2e/£M) which outperformed the target of 36.8. In the crrent period the tCO2e per full time equivalent employees (tCO2e/FTE) intensity measure improved to 1.9 (prior period 2.4), which also outperformed the target of 2.3.

•Scope 1 – Carbon emitted from building gas usage and company-owned vehicles
•Scope 2 – Carbon emitted from our building electricity usage
•Scope 3 – Carbon emitted from our employees' personal cars due to business travel.

Usage - 9 months ended 31 December 2021

01/04/21 – 31/12/21	kWh	tCO2e	tCO2e % of Gross Total	% Renewable
Electricity	2,084,183	485.9	99.14%	24.39%
Natural Gas	22,616	4.2	0.86%	0%
Gross	2,106,799	490.1	100.00%	24%
Exported Solar Electricity	-23,355	-5.4	-1.10%	100%
Net	2,083,444	484.7	99.10%	-

MERITAS GROUP HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021

Usage - 12 months ended 31 March 2021

01/04/20 – 31/03/21	kWh	tCO_2e	tCO_2e % of Gross Total	% Renewable
Electricity	2,380,016	554.9	99.60%	21%
Natural Gas	11,020	2	0.40%	0%
Gross	**2,391,036**	**556.9**	**100.00%**	**21%**
Exported Solar Electricity	-44,255	-10.3	-0.90%	100%
Net	**2,346,781**	**546.6**	**99.10%**	**-**

The group measured our energy usage from our buildings in the current period and found we used 2,084,183 kWh (prior period: 2,380,016 kWh) of electricity which represented an increase on a like for like basis of 3.5%. The current period also incorporates new acquisitions. In the current period the group used 22,616 kWh of natural gas (prior period: 11,020 kWh). This created emissions of 490.1 tonnes (prior period: 556.9) of carbon equivalent (tCO2e), however 24% (prior period: 21%) of our electricity is from renewable and low carbon sources, meaning there are no associated emissions. On top of this we have solar panels at one of our sites, and any surplus electricity they produce that we do not use we export back to the grid. In the current period we exported 23,355 kWh (prior *period: 44,255 kWh) of electricity back to the grid. Reducing our net emissions by a further 5.4 tCO2e (prior period: 10.3 tCO2e.*

Plan for Next Year

For our overall carbon emissions, we decided to set a target based off our intensity ratios, with an aim to reduce both intensity ratios by 5% from 38.7 tCO2e/£M to 36.8 tCO2e/£M and 2.4 tCO2e/FTE to 2.3 tCO2e/FTE. These targets are based off our intensity ratios to show improvements in efficiency rather than allow for improvements that may not show the whole picture due to changes in operations, particularly in the wake of the pandemic. In the current period both targets have been achieved with 31.8 tCO2e/£m and 1.9 tCO2e/FTE.

Net Zero

Best practice to reduce environmental impact and carbon emissions is to reduce consumption and become as efficient as possible. We are currently introducing and building upon efficiencies throughout all different areas of our organisation, as well as making use of renewable energy and producing solar energy through our own solar panels. As we work further towards more responsible business practices, we also decided in the prior period to mitigate our immediate impact by purchasing verified carbon offset credits by purchasing 1,000 tCO2e of carbon offset credits to offset our residual emissions, meaning in the prior period we were Carbon Negative, taking out 30 tCO2e more from the atmosphere than we put in. Carbon credits were not purchased in the current period.

Strategic Report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group'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, principal activities, principal risks and uncertainties and post balance sheet events.

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 S Parrington
Director

6 February 2023

MERITAS GROUP HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2021

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 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.

MERITAS GROUP HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	31 December 2021 £'000	31 March 2021 £'000
Fixed assets			
Investments		-	-
Current assets			
Debtors falling due after more than one year	10	53,138	13,974
Debtors falling due within one year	10	1,152	3,873
Total current assets		54,291	17,847
Creditors: amounts falling due within one year	11		(16)
Net current assets		54,291	17,831
Total assets less current liabilities		54,291	17,831
Creditors: amounts falling due *after more than one year*	12	(22,335)	(19,441)
Net assets / (liabilities)		31,955	(1,610)
Capital and reserves			
Called up share capital	14	10	10
Share premium	14	33,411	116
Profit and loss reserves	15	(1,466)	(1,736)
Total equity		31,955	(1,610)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the period ending 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the board of directors and authorised for issue on 6 February 2023 and are signed on its behalf by:

Mr S Parrington
Director

MERITAS GROUP HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	Period ended 31 December 2021	Year ended 31 March 2021
		£'000	£'000
Turnover		-	-
Administrative expenses		(60)	(13)
Other operating income		-	12
Operating profit		(60) 0	(1)
Interest receivable and similar income		1,895	1,327
Interest payable and similar expenses		(1,565)	(1,843)
Loss before taxation		270	(517)
Tax on loss	7	-	-
Loss for the period		270	(517)

MERITAS GROUP HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Share capital	Share premium	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000
Balance at 31 March 2020	10	116	(1,219)	(1,093)
Loss and total comprehensive income	-	-	(517)	(517)
Balance at 31 March 2021	10	116	(1,736)	(1,610)
Period ended 31 December 2021				
Profit /(Loss) and total comprehensive income for the year	-	-	270	270
Issuance or Ordinary shares	-	33,295	-	-
Balance at 31 December 2021	10	33,411	(1,466)	(1,340)

MERITAS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Meritas Group Holdings Limited 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, 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 £000.

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 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 Group Holdings limited is a wholly owned subsidiary of Meritas Scientific Limited and the results of Meritas Scientific Limited are included in the consolidated financial statements of Meritas Scientific Holdings Limited which are available from Coopers Bridge, Braziers Lane, Winkfield Row, Bracknell, Berkshire, RG42

Going concern

Notwithstanding net liabilities and loss in the period directors have prepared accounts on a going concern basis. This is supported by the group forecasts for the twelve month period from the date of approval of the financial statements.

The company meets its day to day working capital requirements through support from other entities within the group. Meritas Scientific Holding Limited 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 group 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 and cashflow actions required should they be needed.

Therefore based on the above, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1 Accounting policies (continued)

Reporting period

The company has amended its reporting date to 31 December to align with its new ultimate parent undertaking Ensign-Bickford Industries Inc following the acquisition of the group on 12 November 2021.

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.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

Basic financial assets

Basic financial assets, which include amounts due from fellow group companies, 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.

1 Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and amounts due to group undertakings, 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 transaction 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 date.

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.

MERITAS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies (continued)

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.

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.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction. or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of investment in subsidaries

The recoverable amount of investments is based on future cash flows for the individual investments. In determining whether any impairment is required, management makes a number of estimates in respect of future cash flows and future earnings growth. Following their assessment and review, the directors have determined no impairment is necessary.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Recoverability of group balances

Estimates are made relating to the recoverability of intercompany debtor balances to reflect unrecoverable amounts due to known defaults and defaults incurred but not reported at the year end. The directors consider the solvency and future trading forecasts of subsidiaries to determine whether the group company balances are impaired. The directors have assessed that no provision against intercompany balances outstanding at the reporting date is required (at 31 March 2021: £nil).

MERITAS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

3 Employees

The company had no employees in the current or prior period.

The directors were remunerated through other group companies in the current and prior periods.

4 Auditor's remuneration

	At 31 December 2021	At 31 March 2021
Fees payable to the company's auditor and its associates.	£'000	£'000
For audit services		
Audit of the financial statements of the company	-	4

5 Interest receivable and similar income

	At 31 December 2021	At 31 March 2021
	£'000	£'000
Interest receivable from group undertakings	1,895	1,327

6 Interest payable and similar expenses

	At 31 December 2021	At 31 March 2021
	£'000	£'000
Interest payable to group undertakings	1,565	1,843

MERITAS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

7 Taxation

	31 December 2021	*31 March 2021*
	£000	**£000**
UK corporation tax on profits for the current period	-	-

The total tax charge 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

	31 December 2021	31 March 2021
	£000	£000
Profit / (Loss) before taxation	270	(517)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (Year ended 31 March 2021 19.00%)	51	(98)
Tax effect of expenses that are not deductible in determining taxable profit	-	209
Tax effect of income not taxable in determining taxable profit	-	(113)
Change in unrecognised deferred tax assets	-	(7)
Group relief	(51)	9
Taxation charge for the period	-	-

Finance Act 2020, which was substantively enacted on 11 March 2020, maintained the corporation tax rate at 19% until 31 March 2023. Finance Act 2021, which was substantively enacted on 24 May 2021 has enacted an increase in the UK corporation tax main rate to 25% from 1 April 2023. As this rate change had been substantively enacted before the balance sheet date, the closing deferred tax assets and liabilities have been calculated at 25%, on the basis that this is the rate at which those assets and liabilities are expected to unwind

MERITAS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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8 Debtors

	31 December 2021	31 March 2021
	£'000	£'000
Amounts falling due within one year:		
Other debtors	3	74
Amounts owed by group undertakings	1,149	3,799
	1,152	3,873
Amounts fallling due after more than one year:		
Loans to group undertakings	53,138	13,974
	54,291	17,847

9 Creditors: amounts falling due within one year

	31 December 2021	31 March 2021
	£'000	£'000
Trade creditors	-	16
	-	16

10 Creditors:amounts falling due after more than one year

	31 December 2021	31 March 2021
	£'000	£'000
Loans from group undertakings	22,335	19,441

All loans from group and parent undertakings are payable after one year.

MERITAS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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11 Share capital

	At 31 December	At 31 March	At 31 December	At 31 March
	Number	Number	£'000	£'000
Ordinary shares of £1 each	9,991	9,990	-	-

On 12 November 2021 Ensign Bickford Industries Inc acquired the Cawood group of companies including the Meritas companies. As part of the funding steps for that deal Meritas Scientific Limited acquired 1 ordinary share for £33,294,739.

12 Financial commitments, guarantees and contingent liabilities

During the year the company was included within a VAT group with other group entities, the total liability of this VAT group at 31 December 2021 is £480,467 (at 31 March 2021. £1,544,654).

13 Events after the reporting date

During January 2022, subsidiary company Cawood Scientific Limited completed the acquisitions of two companies. Express Microbiology Limited and Independent Analytical Supplies Limited for a total combined consideration of £6m.

14 Ultimate controlling party

The company's immediate parent undertaking is Meritas Scientific 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 Scientific Holdings Limited
Copies of the financial statements of Meritas Scientific Holdings Limited can be obtained from its registered office of Coopers Bridge, Braziers Lane, Winkfield Row, Bracknell, RG42 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 Ensign-Bickford Industries Inc.
The directors consider there not to be a singular ultimate controlling entity or controlling party.