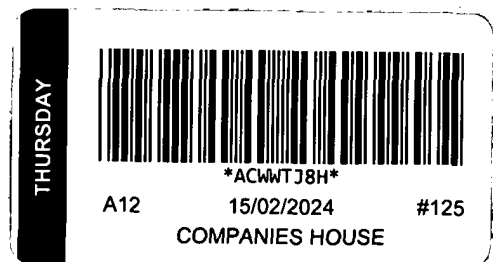


Company Registration No. 10586756 (England and Wales)

**MERITAS GROUP HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022**



MERITAS GROUP HOLDINGS LIMITED

COMPANY INFORMATION

Directors 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 YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the period commencing 8 November 2021 to 31 December 2022, 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. Cawood Scientific Holdings Limited ("CSHL") is the holding company of the Cawood Scientific Group. CSHL ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The group consists of Cawood Scientific Holdings Limited and all of its subsidiaries. ("the 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, horticultural, amenity, environmental and related industries.

The Group was acquired by Ensign-Bickford Industries Inc ("EBI") on 12 November 2021. The acquisition was structured through the incorporation and capitalisation of CSHL on 8 November 2021. CSHL acquired 100% of the share capital of Meritas Scientific Holdings Limited on 12 November 2021. During the period, the Group acquired three businesses: Chemtech Environmental Limited, Express Microbiology Limited, and Independent Analytical Supplies Limited. Accordingly all direct and indirect subsidiaries of CSHL are included within these consolidated financial statements.

Principal risks and uncertainties

The Group operates in the analytical testing sector focusing on the land-based, industries, infrastructure, agrochemical contract research, 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 period Ensign Bickford Industries Inc. extended two fixed rate intercompany loans 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.

MERITAS GROUP HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

These KPIs for the period ended 31 December 2022 are as follows:

	Period ended 8 November 2021 to 31 December 2022
Sales £'000	66,477
EBITDA £'000	1,693
Gross margin	65.50%
Debtor days	64
Group loss £'000	37,797

Debtor Days for the twelve months ended 31 December 2022 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:

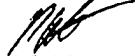
- organic growth via the offer of wider services to existing clients and new customers;
- development of new technical testing and new methods to improve efficiencies;
- the acquisition of businesses complementary to the company's core service offering.

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.

MERITAS GROUP HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board



Mr R McPheeters
Director

7 February 2024

MERITAS GROUP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and financial statements for the period to 31 December 2022.

Principal activities

The principal activity of the company and group is of 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's operations are conducted primarily within the United Kingdom, with limited operations in the Republic of Ireland, Switzerland, Spain, Czech Republic and the United States.

Results and dividends

The results for the period are set out in the financial statements within.

Directors

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

Mr R McPheeters
Mr W Welch
Mr S Stevenson
Mr M Hanson (Resigned 31 May 2022)
Mr S Parrington (Resigned 24 February 2023)

Research and development

During the period the group expensed £840,438 of R&D expenditure to profit or loss.

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 YEAR ENDED 31 DECEMBER 2022

Energy and carbon reporting

The group presents its first Energy and Carbon report for the period commencing 8 November 2021 to 31 December 2022. The directors are committed to reducing energy consumption and carbon footprint, whilst complying with environmental laws. This report sets out the group's energy use and greenhouse gas ("GHG") data, 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.

These regulations require companies that come under the scope of SECR to disclose their energy use and subsequent CGH

08/11/21 – 31/12/22	tCO2e	tCO2e %
Scope 1 (Direct Greenhouse gas emissions)	1,592.0	54%
Scope 2 (Energy indirect emissions)	1,317.7	45%
Scope 3 (Other indirect emissions)	23.4	1%
Gross Emissions	2,933.0	100%
Renewable Electricity	(212)	-7%
Exported Solar Electricity	(7)	0%
Carbon Offset Credits	-	-
Carbon Footprint	2,714.6	93%
Intensity Measure		
Intensity Ratio		
Scope 1 & 2 tCO2e/£M Revenue	43.8	
Scope 1 & 2 tCO2e/FTE	3.6	

Review of the Period

Through this calculation our gross carbon emissions for the period were found to be 2,933 tCO2e. In the reporting period we elected not to purchase carbon credit offsets.

The directors elect to use two measures which is a method of normalising our emissions that will allow 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 was 43.8. In the current period the tCO2e per full time equivalent employees (tCO2e/FTE) intensity measure was 3.6.

- 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 - period commencing 8 November 2021 to 31 December 2022

08/11/21 – 31/12/21	kWh	tCO2e	tCO2e % of Gross Total	% Renewable
Electricity	5,651,764	1,317.7	51.7%	16.08%
Natural Gas	6,685,835	1,229.2	48.3%	0%
Gross	12,337,599	2,547	100.0%	16.08%
Exported Solar Electricity	-28,545	-6.6	-0.3%	100%
Net	12,309,054	2,540	99.7%	-

MERITAS GROUP HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Plan for Next Year

For our overall carbon emissions, the directors have elected to set a target based off our intensity ratios, with an aim to reduce both intensity ratios by 5%. 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, and potential changes in the organisational boundary.

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.

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.

On behalf of the board



Mr. R. McPheeters
Director

7 February 2024

MERITAS GROUP HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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 COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Turnover		-	-
Administrative expenses		(63)	(60)
Other operating income		-	-
Operating profit		(63)	(60)
Interest receivable and similar income		-	-
Interest payable and similar expenses		-	1,895
			(1,565)
Loss before taxation		(63)	270
Tax on loss	7	-	-
Loss for the period		(63)	270

MERITAS GROUP HOLDINGS LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Note	31 December 2022 £'000	31 December 2021 £'000
Fixed assets			
Investments	8	71,308	-
Current assets			
Debtors falling due after more than one year	9	330	53,138
Debtors falling due within one year	9	-	1,152
Total current assets		<u>330</u>	<u>54,291</u>
Creditors: amounts falling due within one year	10	(60)	-
Net current assets		<u>270</u>	<u>54,291</u>
Total assets less current liabilities		<u>71,578</u>	<u>54,291</u>
Creditors: amounts falling due after more than one year	11	-	(22,335)
Net assets / (liabilities)		<u>71,578</u>	<u>31,955</u>
Capital and reserves			
Called up share capital	12	10	10
Share premium	12	73,096	33,411
Profit and loss reserves		<u>(1,528)</u>	<u>(1,466)</u>
Total equity		<u>71,578</u>	<u>31,955</u>

For the financial year in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

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

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

The financial statements were approved by the board of directors and authorised for issue on 7 February 2024 and are signed on its behalf by:



Mr R McPheeters
Director

MERITAS GROUP HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital £'000	Share premium £'000	Profit and loss reserves £'000	Total £'000
Balance at 31 March 2021	10	116	(1,736)	(1,610)
Profit/(Loss) and total comprehensive income for the year	-	-	271	271
Issuance of Ordinary shares	-	33,295	-	33,295
Balance at 31 December 2021	10	33,411	(1,465)	31,956
Period ended 31 December 2022				
Profit/(Loss) and total comprehensive income for the year	-	-	(63)	(63)
Issuance of Ordinary shares	-	39,685	-	39,685
Balance at 31 December 2022	10	73,096	(1,528)	71,578

MERITAS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 Cawood Scientific Holdings Limited which are available from Coopers Bridge, Braziers Lane, Winkfield Row, Bracknell, Berkshire, RG42 6NS.

Going concern

Notwithstanding net 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. Cawood 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.

MERITAS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

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 reasonable and consistent allocation basis can be identified.

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 estimates or future cash flows have not been adjusted.

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 or to realise the asset and settle the liability simultaneously.

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.

MERITAS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 YEAR ENDED 31 DECEMBER 2022

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 periods.

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 subsidiaries

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.

MERITAS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 £'000	At 31 December 2021 £'000
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	-	-

5 Interest receivable and similar income

	At 31 December 2022 £'000	At 31 December 2021 £'000
Interest receivable from group undertakings	-	1,895

6 Interest payable and similar expenses

	At 31 December 2022 £'000	At 31 December 2021 £'000
Interest payable to group undertakings	-	1,565

MERITAS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7 Taxation

	31 December 2022	31 December 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 2022	31 December 2021
	£000	£000
Profit / (Loss) before taxation	(63)	270
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (Year ended 31 Dec 2022: 19.00%)	(12)	51
Tax effect of expenses that are not deductible in determining taxable profit		
Tax effect of income not taxable in determining taxable profit		
Non-Deductible Expenses	12	
Change in unrecognised deferred tax assets		
Group relief		(51)
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.

8 Investment

	31 December 2022	31 December 2021
	£000	£000
Investment in Subsidiaries	71,308	

During the year the company subscribed to one ordinary share in subsidiary undertaking Meritas Group Limited for a subscription price of 71,307,909 pounds.

MERITAS GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9 Debtors

	31 December 2022	31 December 2021
	£'000	£'000
Amounts falling due within one year:		
Other debtors	-	3
Amounts owed by group undertakings	-	1,149
	-	1,152
Amounts falling due after more than one year:		
Loans to group undertakings	330	53,138
	330	54,291

10 Creditors: amounts falling due within one year

	31 December 2022	31 December 2021
	£'000	£'000
Trade creditors	60	-
Corporation Tax	-	-
	60	-

11 Creditors: amounts falling due after more than one year

	31 December 2022	31 December 2021
	£'000	£'000
Loans from group undertakings	-	22,335

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

MERITAS GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12 Share capital

	At 31 December 2022	At 31 December 2021	At 31 December 2022	At 31 December 2021
	Number	Number	£'000	£'000
Ordinary shares of £1 each	9,991	9,991	10	10

13 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 2022 is £253,865 (at 31 December 2021: £480,467).

14 Events after the reporting date

During January 2023, subsidiary company Cawood Scientific Limited completed the sale of Express Microbiology Limited.

During December 2023 a loan provided to subsidiary company Cawood Scientific Ltd by the ultimate parent undertaking was settled in full in exchange for a capital contribution. The carrying value the loan principle and interest at 31 December 2022 was £17.6m.

15 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 Cawood Scientific Holdings Limited. Copies of the financial statements of Cawood 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.