Company Registration No. 2846918

MERIT PROCESS ENGINEERING LIMITED

Annual Report and Financial Statements

For the year ended 31 March 2018

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A Wells
C Berriman
M McGrady

COMPANY SECRETARY

N Berriman

REGISTERED OFFICE

3 Silverton Court
Northumberland Business Park
Cramlington
Northumberland
NE23 7RY

SOLICITORS

Muckle LLP
32 Gallowgate
Newcastle Upon Tyne
NE1 4BF

BANKERS

Santander
Bootle
Merseyside
L30 4GB

AUDITOR

Deloitte LLP
Statutory Auditor
Newcastle upon Tyne
United Kingdom

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

STRATEGIC REPORT

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activities of the company during the year were that of a non trading company.

The company reported an operating loss of (£30) (2017: profit of £6,847). This is due to bank charges in the period.

Given the nature of the company operations as described in the Future developments and going concern section below, the key performance indicator for the company is considered to be the Net Asset position. The Net asset position has reduced to £224,655 from £224,685 due to the loss suffered during the year.

PRINCIPAL RISKS AND UNCERTAINTIES

Given the fact that the company is dormant the directors do consider it appropriate to assess the risks and uncertainties of the company.

FUTURE DEVELOPMENTS AND GOING CONCERN

The Company ceased to trade on 1st April 2015 with transfer of trade to another Group company on this date. The company incurs a small level of oveheads.

The company will continue as a dormant company in the future with no intention to liquidate the company. The company will have no ongoing costs and has sufficient net assets to continue as a going concern in the future. Accordingly the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Approved by the Board of Directors and signed on behalf of the Board by:

M McGrady

27 December 2018

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company together with the audited financial statements and auditor's report for the year ended 31 March 2018.

RESULTS AND DIVIDENDS

The results are set out on pages 7 and 8. The directors proposed and paid a dividend of £nil during the year to its parent company Merit Holdings Ltd (2017: £700,000).

FUTURE DEVELOPMENTS AND GOING CONCERN

This can be found in the strategic report on page 2.

PRINCIPAL RISKS AND UNCERTAINTIES

This can be found in the strategic report on page 2.

DIRECTORS

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

A Wells
C Berriman
M McGrady

AUDITOR

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

Deloitte LLP have expressed their willingness to continue as auditor of the company and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

M McGrady
27 December 2018

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the audited 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion
In our opinion the financial statements of Merit Process Engineering (the 'company'):

- 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 10

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 respect of these matters.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements
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.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

Kate Darlison

Kate Darlison, FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Newcastle upon Tyne, United Kingdom
27 December 2018

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2018

	Note	31 March 2018 £	31 March 2017 £
TURNOVER		-	-
Cost of sales		-	-
GROSS PROFIT		-	-
Administrative expenses		(30)	12,421
OPERATING (LOSS)/PROFIT	4	(30)	12,421
Interest paid		-	(5,378)
Interest received		-	-
(LOSS)/PROFIT BEFORE TAXATION		(30)	7,043
Tax charge on (loss)/ profit	5	-	(196)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(30)	6,847

There are no recognised gains and losses for the financial year and for the preceding financial period other than as stated in the profit and loss account. Results for the year derive solely from discontinued operations. Accordingly, no separate statement of other comprehensive income has been presented.

BALANCE SHEET
As at 31 March 2018

	Note		31 March 2018		31 March 2017
		£	£	£	£
CURRENT ASSETS					
Debtors	6	223,435		223,435	
Cash at bank and in hand		1,220		1,250	
		224,655		224,685	
CREDITORS: amounts falling due within one year		-		-	
NET CURRENT ASSETS			224,655		224,685
TOTAL ASSETS LESS CURRENT LIABILITIES			224,655		224,685
NET ASSETS			224,655		224,685
CAPITAL AND RESERVES					
Called up share capital	7		200		200
Share premium account			197,479		197,479
Profit and loss account			26,976		720,159
TOTAL SHAREHOLDERS' FUNDS			224,655		917,838

These financial statements of Merit Process Engineering Limited 02846918, were approved and authorised for issue by the Board of Directors on 27 December 2018.

Signed on behalf of the Board of Directors

M McGrady

STATEMENT OF CHANGES IN EQUITY
As at 31 March 2018

	Note	Called-up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 April 2016		200	197,479	720,159	917,838
Profit for the financial year		-	-	6,847	6,847
Total comprehensive income		-	-	6,847	6,847
Dividends paid		-	-	(700,000)	(700,000)
At 31 March 2017		200	197,479	27,006	224,685
Loss for the financial year	4	-	-	(30)	(30)
Total comprehensive income		-	-	(30)	(30)
Divdends paid		-	-	-	-
At 31 March 2018		200	197,479	26,976	224,655

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

Merit Process Engineering Limited ('the Company') is a private company limited by shares and incorporated in the United Kingdom under the Companies Act, and registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, Merit Group Services Limited, which may be obtained at 3 Silverton Court, Cramlington, Northumberland, NE23 7RY. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Going concern

As detailed in the strategic report the company is dormant and the financial statements have been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018

1. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018

1. Accounting policies (continued)

Financial instruments (continued)

(i) Financial assets and liabilities (continued)

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018

1. Accounting policies (continued)

Taxation (continued)

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

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

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018

1. Accounting policies (continued)

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks (see above); and
- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

Borrowing costs

Interest bearing overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

The only critical accounting estimate used in applying the groups accounting policies is that of debtor recoverability.

Debtor recoverability

As the company has ceased to trade the only critical accounting judgement is the recoverability of the intercompany balance outstanding from the parent company. The amount is regularly reviewed and a provision is made if necessary.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

There are no employees in the company and the directors are remunerated from the parent company, Merit Holdings Limited.

4. OPERATING LOSS

	31 March 2018 £	31 March 2017 £
This is stated after charging:		
Auditor's remuneration – statutory audit services – borne by another group company in the current year	-	2,000
Foreign Exchange (profit)/loss	-	(13,397)

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	31 March 2018 £	31 March 2017 £
United Kingdom corporation tax on profit for the year	-	-
Adjustment in respect of prior years	-	196
Current tax charge/(credit)	-	196
Deferred Tax:		
Timing differences	-	-
Adjustment in respect of prior years	-	-
Deferred tax charge/(credit)	-	-
Total tax charge/(credit)	-	196

The tax credit for the year differs from the standard rate of corporation tax in the UK of 20%. The differences are explained below:

	31 March 2018 £	31 March 2017 £
(Loss)/Profit on ordinary activities before tax	(30)	7,043
Tax at on profit at standard UK rate of 19% (2017: 20%)	(6)	1,409
Expenses not deductible	-	150
Group relief	6	(1,555)
Losses	-	(4)
Adjustment in respect of prior years	-	196
Deferred tax on losses previously recognised	-	-
Tax charge/(credit) for the year	-	196

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2018

6. DEBTORS

	2018	2017
	£	£
Amounts owed by group companies	223,435	223,435
	223,435	223,435

All amounts are due within one year and are not interest bearing.

7. CALLED UP SHARE CAPITAL

	2018	2016
	£	£
Called up, allotted and fully paid		
198 ordinary shares of £1 each	198	198
2 ordinary A shares of £1 each	2	2
	200	200

'A' ordinary shares do not carry any voting rights. In all other respects they rank pari passu with the ordinary shares.

Ordinary shares carry voting rights. At all general meetings the holders will have one vote per share.

8. PARENT UNDERTAKING AND CONTROLLING PARTY

The smallest and largest group which includes the company and for which group financial statements are prepared, is Merit Group Services Limited. The accounts of Merit Group Services Limited are available from 3 Silverton Court, Northumberland Business Park, Cramlington, Northumberland, NE23 7RY.

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

9. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available not to disclose transactions with wholly owned companies in the same group.