

Bioprocessing Limited
Annual report and accounts
for the year ended 31 December 2001

Registered Number 1658867



Bioprocessing Limited

Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2001.

Results and dividends

The loss for the year, after taxation, amounted to £307,361(2000: £39,460). The directors do not recommend the payment of a dividend with the loss being taken to reserves (2000: £Nil).

Principal activity and review of the business

The company's principal activity is the development, manufacture and sale of specialised separation products to the Biopharmaceutical industry.

Research and development

The company continues to invest in the development of new products for use in bio-pharmaceutical manufacture, which in future years will continue to add to the growing pipeline of such drugs which rely on the company's products.

Directors

The directors who held office during the period are given below:

J Rudin
S J Docksey (appointed 18 March 2002)
Dr F M Roberts (resigned 18 March 2002)

Directors' interests

Any interest in the shares of the company, any subsidiary, parent company, or fellow subsidiary, at 31 December 2001, by directors of the company which are required to be disclosed, are disclosed in the financial statements of the ultimate holding company and therefore do not require disclosure in these financial statements.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimate have been made in preparing the financial statements for the year ended 31 December 2001 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Bioprocessing Limited

Directors' report (Continued)

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 20 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

On behalf of the Board

Director



15 JULY 2003

Bioprocessing Limited

Independent Auditors' report to the members of Bioprocessing Limited

We have audited the financial statements which comprise the profit and loss account and the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2001 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
St Albans

15 JULY 2003

Bioprocessing Limited

Profit and loss account for the year ended 31 December 2001

	Notes	2001 £	2000 £
Turnover	1	4,837,964	3,540,782
Cost of sales		(2,758,410)	(2,355,575)
Gross profit		2,079,554	1,185,207
Distribution costs		(27,957)	(308,097)
Administration costs		(2,218,187)	(848,246)
Other operating income	2	-	732
Operating (loss)/profit	3	(166,590)	29,596
Bank interest receivable		2,751	-
Interest payable	5	(143,522)	(69,056)
Loss on ordinary activities before taxation		(307,361)	(39,460)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year	15, 16	(307,361)	(39,460)
Accumulated deficit brought forward	16	(2,541,830)	(2,502,370)
Accumulated deficit carried forward	16	(2,849,191)	(2,541,830)

The operating loss for the period arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above and their historical cost equivalents.

The notes on pages 6 to 18 form part of these financial statements.

Bioprocessing Limited

Balance sheet as at 31 December 2001

	Notes	2001 £	2000 £
Fixed Assets			
Tangible assets	7	2,607,533	1,280,808
Current assets			
Stocks	8	1,302,203	1,068,417
Debtors	9	1,386,302	714,921
Cash at bank and in hand		95,045	277,714
		2,783,550	2,061,052
Creditors: amounts falling due within one year	10	(4,071,785)	(1,466,157)
Net current liabilities/assets		(1,288,235)	594,895
Total assets less current liabilities		1,319,298	1,875,703
Creditors: amounts falling due after more than one year	11	(3,290,000)	(3,539,044)
Net liabilities		(1,970,702)	(1,663,341)
Capital and reserves			
Called up equity share capital	14	34,800	34,800
Share premium account	16	279,600	279,600
Capital contribution reserve	13, 16	564,089	564,089
Profit and loss account	16	(2,849,191)	(2,541,830)
Equity shareholders' deficit	15	(1,970,702)	(1,663,341)

Approved by the Board and signed on its behalf by:


Director

15 JUL 2003

The notes on pages 6 to 18 form part of these financial statements.

Bioprocessing Limited

Notes to the financial statements for the year ended 31 December 2001

Accounting policies

a) Accounting convention

These financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards. A summary of the more important group accounting policies is set out below, together with an explanation of where changes have been made to the previous policies on the adoption of new accounting standards in the year.

b) Changes in accounting policies

FRS 17 "Retirement Benefits" has an extended transitional period during which certain disclosures will be required as the notes to the financial statements. The company is required to make these phased disclosures in the current year, which are shown in note 21.

FRS 18 "Accounting Policies" has been adopted in the current year but this did not require any change in accounting policy.

c) Financial support

The accounts have been prepared on a going concern basis, the validity of which depends on the continued financial support of the parent company. The directors of the ultimate parent company, Millipore Corporation, have indicated that it is their intention to provide finance for the continued operation of Bioprocessing Limited for the foreseeable future.

d) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	-	over the lease term
Plant and machinery	-	over 2 to 10 years
Fixtures and fittings	-	over 5 to 10 years
Motor vehicles	-	over 4 years

e) Government grants

Government grants on capital expenditure are credited to a deferral account and are released to revenue over the expected useful life of the relevant asset by equal annual instalments.

Grants of a revenue nature are credited to income in the period to which they relate.

Bioprocessing Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

f) Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

- Raw materials - purchase cost on a first-in, first-out basis.
- Work in progress and finished goods - cost of direct materials and labour plus attributable overheads based on normal level of activity.
- Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

g) Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the foreseeable future, calculated at the rate at which it is estimated that tax will be payable.

h) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

All differences are taken to the profit and loss account.

i) Research and development

Research and development expenditure is written off as incurred.

j) Leasing and hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income as incurred.

Bioprocessing Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

k) Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

The company also contributes to the Millipore Pension Plan. Contributions to the Plan are assessed by a qualified actuary based on the cost of providing pensions across all participating companies. Costs are not determined for each participating companies hence contributions are charged to the profit and loss account in the period in respect of which they became payable. The company continues to treat contributions to the Millipore Pension Plan as defined contributions.

l) Cash flow statement

The company is exempt from the requirements of Financial Reporting Standard 1 (Revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of the Bioprocessing Corporation Limited and its cash flows are included within the consolidated cash flow statement of the Millipore Corporation, the ultimate parent undertaking at 31 December 2001.

Bioprocessing Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

1. Turnover

Turnover represents amounts derived from the provision of goods and services, stated net of value added tax.

Turnover arose from the continuing operations of the company and relate to its principal activity.

An analysis of turnover by geographical market is given below:

	2001		2000	
	£	%	£	%
United Kingdom and Europe	911,383	19	616,825	17
USA	3,892,657	80	2,840,446	80
Japan	-	-	71,938	2
Other	33,924	1	11,573	1
	4,837,964	100	3,540,782	100

2 Other operating income

	2001	2000
	£	£
Other income	-	732

Bioprocessing Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

3 Operating (loss)/profit

(a) This is stated after charging:

	2001	2000
	£	£
Auditors' remuneration	8,000	9,000
Depreciation of owned fixed assets	137,569	118,410
Depreciation of assets held under finance leases and hire purchase agreements	-	6,000
Foreign exchange differences	80,544	56,571
Operating lease rentals - land and buildings	60,700	63,500
Research and development costs	306,168	481,339

(b) Directors' remuneration:

Emoluments (including pension contributions)	87,476	233,292
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	2001	2000
	£	£
Company contributions paid to money purchase pension schemes	4,951	8,391

	2001	2000
	No.	No.
Members of money purchase pension schemes	1	1

	2001	2000
	£	£
The amounts in respect of the highest paid director are as follows:		
Emoluments	82,524	91,253
Company contributions paid to money purchase pension schemes	4,951	4,880

Bioprocessing Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

4 Staff costs

	2001	2000
	£	£
Wages and salaries	928,677	721,302
Social security costs	89,197	62,608
Other pensions costs	21,964	33,785
	1,039,838	817,695

The average number of employees during the year was as follows:

	2001	2000
	No.	No.
Executive directors	1	1
Office management	6	7
Research and development	17	12
Manufacturing	25	14
Temporary	-	2
Selling and marketing	2	-
	51	36

5 Interest payable

	2001	2000
	£	£
Hire purchase interest	-	802
Bank overdraft interest	-	612
Loan interest to related company	142,905	-
Loan interest to ultimate parent company	-	67,642
Others	617	-
	143,522	69,056

Bioprocessing Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

6 Tax on loss on ordinary activities

There is no tax liability in respect of the trading results for the year due to the availability of tax losses brought forward. There are estimated tax losses available to carry forward against future trading profits of the same trade amounting to approximately 2001: £2,673,077 (2000: £2,459,236).

7 Tangible fixed assets

	Construction in progress	Short term leasehold land and buildings	Plant and equipment	Total
	£	£	£	£
Cost				
At 1 January 2001	585,967	495,592	852,146	1,933,705
Additions	1,253,655	26,497	583,076	1,863,228
Disposals	-	(15,237)	(693,712)	(708,949)
At 31 December 2001	1,839,622	506,852	741,510	3,087,984
Depreciation				
At 1 January 2001	-	96,217	556,680	652,897
Provided during the year	-	28,526	109,043	137,569
Disposals	-	(15,237)	(294,778)	(310,015)
At 31 December 2001	-	109,506	370,945	480,451
Net book value				
At 31 December 2001	1,839,622	397,346	370,565	2,607,533
At 31 December 2000	585,967	399,375	295,466	1,280,808

The net book value of plant and equipment above includes an amount of £nil (2000: £14,500) in respect of assets held under finance leases and hire purchase contracts. The depreciation charge for the year on these assets was £nil (2000: £6,000).

Bioprocessing Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

8 Stocks

	2001 £	2000 £
Raw materials and consumables	741,207	609,827
Work in progress	125,829	81,308
Finished goods and goods for resale	435,167	377,282
	1,302,203	1,068,417

9 Debtors

	2001 £	2000 £
Amounts owed by group companies	1,266,740	648,055
Other debtors	95,033	42,217
Prepayments and accrued income	24,529	24,649
	1,386,302	714,921

10 Creditors – Amounts falling due within one year

	2001 £	2000 £
Amounts due to group companies	2,836,424	15,019
Obligations under hire purchase contracts (note 12)	-	5,907
Trade creditors	926,038	734,768
Other taxes and social security costs	28,527	26,346
Accruals	280,796	684,117
	4,071,785	1,466,157

Bioprocessing Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

11 Creditors – Amounts falling due after more than one year

	2001 £	2000 £
Amounts due to group companies	3,290,000	3,539,044
	3,290,000	3,539,044

The amounts due to the group companies are repayable on a minimum of fifteen months notice. This balance bears interest ranging from 5.3% to 7.3%.

12 Obligations under hire purchase contracts

	2001 £	2000 £
Payable within one year	-	6,093
Less: finance charges allocated to future period	-	(186)
	-	5,907
Analysed as follows:		
Current obligations (note 10)	-	5,907
	-	5,907

13 Capital contribution reserve

On the sale of the company in November 1987, as part of the sale agreement, the shareholders discharged the company from all claims in respect of the loans outstanding which amounted to £564,089 in order to provide the company with a better financial base for the future. The resulting credit has been set up as a capital contribution reserve.

Bioprocessing Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

14 Called up Equity Share Capital

	2001 £	2000 £
Authorised:		
1,000,000 (2000: 750,000) ordinary shares of £1 each	1,000,000	750,000
250,000 "A" ordinary shares of £1 each	-	250,000
	1,000,000	1,000,000
	2001 £	2000 £
Allotted, called up and fully paid:		
34,800 (2000: 14,400) ordinary shares of £1 each	34,800	14,400
20,400 "A" ordinary shares of £1 each	-	20,400
	34,800	34,800

On 11 November 1987, all the "A" Ordinary Shares were converted into Ordinary Shares. This has been reflected in the accounts in the current year.

The "A" shares and the ordinary shares rank pari passu in all respects as one class of shares in the capital of the company.

15 Reconciliation of movement in shareholders' deficit

	2001 £
Loss for the year	(307,361)
Net decrease in shareholders' funds	(307,361)
Opening shareholders' deficit	(1,663,341)
Closing shareholders' deficit	(1,970,702)

Bioprocessing Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

16 Movement in reserves

	Share premium account £	Capital contribution reserve £	Profit and loss account £
At 31 December 2000	279,600	564,089	(2,541,830)
Loss for the year	-	-	(307,361)
At 31 December 2001	279,600	564,089	(2,849,191)

17 Deferred taxation

The unprovided amounts of deferred taxation for timing differences are as follows:

	2001 £	2000 £
Excess of capital allowances over depreciation	91,116	(26,276)
Short-term timing differences	(8,800)	(10,003)
Losses	(801,923)	(737,771)
	(719,607)	(774,050)

18 Capital commitments

There were no capital commitments at 31 December 2001 (2000: £Nil).

19 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Bioprocessing Corporation Limited, a company registered in England and Wales. The ultimate parent undertaking and ultimate controlling party, which is the largest group of which the company is a member and the largest for which group accounts are prepared, is Millipore Corporation. Copies of group accounts may be obtained from Millipore Corporation, 80 Ashby Road, Bedford, MA01730, United States of America.

Bioprocessing Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

20 Related party transactions

Transactions with other companies within the Millipore Corporation group are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard 8 "Related Party Disclosures".

21 Pension commitments

The company operates a defined contribution pension scheme for its directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The company's pension cost for the year, representing contributions payable, amounted to £21,964 (2000: £33,785).

The company started participating in the Millipore Pension Plan in 2001.

This pension plan operates a funded defined pension benefit scheme providing benefits to a cash balance design, based upon final pensionable salary and years of service. The scheme assets are held separately from those of the Company. The pension costs relating to the defined benefit scheme are assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The scheme is subjected to triennial actuarial reviews with the most recent one having been as at 5 April 2000.

The valuation concluded that the assets were sufficient at the valuation date to cover the past service liabilities on both the accrued rights and projected benefits bases. Assets have been valued at market value.

The principal actuarial assumptions applied for the scheme were as follows:

Investment returns	3% per annum above the rate of price inflation
Salary growth	1% per annum above the rate of price inflation

The actuarial value of the assets of the scheme was sufficient to cover 128% of the liability for benefits, which have accrued to members on an ongoing basis.

The company contributed 6.9% of total salary of the relevant employees up to 31 March 2001 and thereafter 0%. It has been agreed with the trustees that contributions will remain at 0% up to March 2002 and thereafter 7% of pensionable salaries up to 27 June 2006. During the year, the company contributed £55,000 (2000: £165,000) to the defined benefit scheme.

The defined benefit scheme contributed to by the company is a group pension scheme with multiple companies contributing. The company cannot for the purposes of FRS 17, "Retirement Benefits" identify its share of the underlying assets and liabilities. FRS 17 disclosures are made in the financial statements of Millipore (U.K.) Limited, copies of which may be obtained from the registered office, Number 1 Industrial Estate, Medomsley Road, Consett, Co Durham, DH8 6SZ.

Bioprocessing Limited

Notes to the financial statements for the year ended 31 December 2001 (continued)

22 Financial commitments

The amounts payable next year under non-cancellable operating leases which expire in the periods shown are detailed below:

	2001	2001	2000	2000
	Land and Buildings	Other	Land and Buildings	Other
Within one year	-	1,560	-	282
Within two to five years	2,090	14,459	-	2,470
After five years	66,000	-	63,500	-
	68,090	16,019	63,500	2,752