

REGISTERED NUMBER: 02337313 (England and Wales)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

FOR

BIOPHARMA PROCESS SYSTEMS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2017**

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BIOPHARMA PROCESS SYSTEMS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017**

DIRECTORS:

A E Cowen
R J Lowe
M R Richards
P A Williams
K Smith
K Ward

SECRETARY:

M R Richards

REGISTERED OFFICE:

Biopharma House
9 Winnall Valley Road
Winchester
Hampshire
SO23 0LD

REGISTERED NUMBER:

02337313 (England and Wales)

AUDITORS:

Wilkins Kennedy LLP
Statutory Auditor
Chartered Accountants
Bridge House
London Bridge
London
SE1 9QR

BANKERS:

Lloyds Bank Plc
49 High Street
Winchester
Hampshire
SO23 9BU

BIOPHARMA PROCESS SYSTEMS LIMITED (REGISTERED NUMBER: 02337313)

**BALANCE SHEET
31 DECEMBER 2017**

| | Notes | 2017 £ | 2016 £ |
|--|-------|-----------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 4 | 463,046 | 379,853 |
| Investments | 5 | <u>57,384</u> | <u>57,384</u> |
| | | 520,430 | 437,237 |
| CURRENT ASSETS | | | |
| Stocks | | 206,009 | 273,682 |
| Debtors | 6 | 1,070,402 | 1,268,797 |
| Cash at bank | | <u>332,752</u> | <u>353,701</u> |
| | | 1,609,163 | 1,896,180 |
| CREDITORS | | | |
| Amounts falling due within one year | 7 | <u>999,605</u> | <u>1,346,919</u> |
| NET CURRENT ASSETS | | <u>609,558</u> | <u>549,261</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 1,129,988 | 986,498 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 8 | (164,861) | (143,573) |
| PROVISIONS FOR LIABILITIES | | <u>(26,823)</u> | <u>(13,499)</u> |
| NET ASSETS | | <u>938,304</u> | <u>829,426</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | | 10,426 | 10,426 |
| Share premium | | 14,484 | 14,484 |
| Retained earnings | | <u>913,394</u> | <u>804,516</u> |
| SHAREHOLDERS' FUNDS | | <u>938,304</u> | <u>829,426</u> |

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 26 March 2018 and were signed on its behalf by:

A E Cowen - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. STATUTORY INFORMATION

Biopharma Process Systems Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling (£) which is also the functional currency for the company.

Going concern

After reviewing the company's forecasts and projections and taking into account the economic conditions and possible changes in trading performance, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Preparation of consolidated financial statements

The financial statements contain information about Biopharma Process Systems Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Significant judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 a continuing 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.

The key judgements and sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

(i) Impairment of debtors

The Company makes an estimate of the recoverable value of its debtors, including inter-company and other debtors. When assessing impairment of debtors, management considers factors including any history of non-payment by the counter-party or any other factors which indicate that they may not be able to settle their obligation to the company in full.

(ii) Impairment of stock

The Company makes an estimate of the stock obsolescence. When assessing the impairment of stock, management considers factors including future selling price of stock and expected demand and best before dates of goods for resale.

(iii) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement future investments, economic utilisation and the physical condition of the assets.

Turnover

Turnover represents net invoiced sale of goods and services excluding valued added tax, provided under contracts which are included to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has been partially completed at the balance sheet date turnover represents the value of the service provided to date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

| | |
|-------------------------|-----------------------|
| Land and buildings | - Over the lease term |
| Plant and machinery etc | - over 3-10 years |

Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Financial instruments

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in the profit and loss account.

Non basic financial instruments are recognised at fair value in the balance sheet under the appropriate heading and any fair value movements are recognised in the income statement.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis

Employee benefits

Short term employee benefits, including holiday entitlement and other non-monetary benefits, and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 32 (2016 - 28).

4. TANGIBLE FIXED ASSETS

| | Land and buildings £ | Plant and machinery etc £ | Totals £ |
|------------------------|----------------------------|------------------------------------|----------------|
| COST | | | |
| At 1 January 2017 | 243,856 | 345,489 | 589,345 |
| Additions | - | 179,275 | 179,275 |
| Disposals | - | (21,695) | (21,695) |
| At 31 December 2017 | <u>243,856</u> | <u>503,069</u> | <u>746,925</u> |
| DEPRECIATION | | | |
| At 1 January 2017 | 40,620 | 168,872 | 209,492 |
| Charge for year | 4,900 | 79,437 | 84,337 |
| Eliminated on disposal | - | (9,950) | (9,950) |
| At 31 December 2017 | <u>45,520</u> | <u>238,359</u> | <u>283,879</u> |
| NET BOOK VALUE | | | |
| At 31 December 2017 | <u>198,336</u> | <u>264,710</u> | <u>463,046</u> |
| At 31 December 2016 | <u>203,236</u> | <u>176,617</u> | <u>379,853</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

4. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

| | Plant and machinery etc £ |
|---------------------------|------------------------------|
| COST | |
| At 1 January 2017 | 105,606 |
| Additions | 113,134 |
| Reclassification/transfer | (34,608) |
| At 31 December 2017 | <u>184,132</u> |
| DEPRECIATION | |
| At 1 January 2017 | 20,471 |
| Charge for year | 36,494 |
| Reclassification/transfer | (14,534) |
| At 31 December 2017 | <u>42,431</u> |
| NET BOOK VALUE | |
| At 31 December 2017 | <u>141,701</u> |
| At 31 December 2016 | <u>85,135</u> |

5. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ |
|--|-----------------------------------|
| COST | |
| At 1 January 2017 and 31 December 2017 | <u>57,384</u> |
| NET BOOK VALUE | |
| At 31 December 2017 | <u>57,384</u> |
| At 31 December 2016 | <u>57,384</u> |

6. DEBTORS

| | 2017 £ | 2016 £ |
|---|------------------|------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 671,338 | 1,011,370 |
| Amounts owed by group undertakings | 175,927 | 52,133 |
| Other debtors | <u>118,826</u> | <u>92,142</u> |
| | <u>966,091</u> | <u>1,155,645</u> |
| Amounts falling due after more than one year: | | |
| Amounts owed by group undertakings | <u>104,311</u> | <u>113,152</u> |
| Aggregate amounts | <u>1,070,402</u> | <u>1,268,797</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2017 | 2016 |
|--------------------------------------|----------------|------------------|
| | £ | £ |
| Bank loans and overdrafts | 12,728 | 12,876 |
| Hire purchase contracts (see note 9) | 55,520 | 38,218 |
| Trade creditors | 385,257 | 543,305 |
| Amounts owed to group undertakings | 24,421 | 23,599 |
| Taxation and social security | 112,095 | 71,484 |
| Other creditors | 409,584 | 657,437 |
| | <u>999,605</u> | <u>1,346,919</u> |

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2017 | 2016 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Bank loans | 104,311 | 113,152 |
| Hire purchase contracts (see note 9) | 60,550 | 30,421 |
| | <u>164,861</u> | <u>143,573</u> |

9. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

| | Hire purchase contracts | |
|------------------------------|----------------------------------|------------------|
| | 2017 | 2016 |
| | £ | £ |
| Gross obligations repayable: | | |
| Within one year | 60,161 | 41,282 |
| Between one and five years | 64,758 | 32,802 |
| | <u>124,919</u> | <u>74,084</u> |
| Finance charges repayable: | | |
| Within one year | 4,641 | 3,064 |
| Between one and five years | 4,208 | 2,381 |
| | <u>8,849</u> | <u>5,445</u> |
| Net obligations repayable: | | |
| Within one year | 55,520 | 38,218 |
| Between one and five years | 60,550 | 30,421 |
| | <u>116,070</u> | <u>68,639</u> |
| | Non-cancellable operating leases | |
| | 2017 | 2016 |
| | £ | £ |
| Within one year | 35,590 | 39,396 |
| Between one and five years | 139,665 | 136,200 |
| In more than five years | 1,498,200 | 1,532,250 |
| | <u>1,673,455</u> | <u>1,707,846</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

10. SECURED DEBTS

The following secured debts are included within creditors:

| | 2017 | 2016 |
|-------------------------|----------------|----------------|
| | £ | £ |
| Bank loans | 117,039 | 126,028 |
| Hire purchase contracts | <u>116,070</u> | <u>68,639</u> |
| | <u>233,109</u> | <u>194,667</u> |

The mortgage is secured on the property occupied by the company.

The hire purchase contracts are secured against the assets they relate to.

11. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Julian Golding (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP

12. CONTINGENT LIABILITY

The company has entered into a mortgage debenture in favour of Andrew Cowen, Rupert Lowe, Michael Richards and Kolker Capital Inc. The security comprises the assets of the company, the value of contracts, and other claims, and fixed plant and machinery.