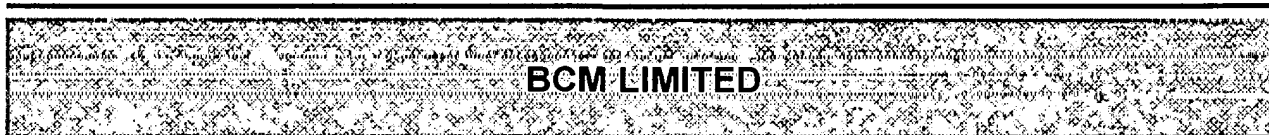


Registered number: 02741673



ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



BCM LIMITED

COMPANY INFORMATION

Directors	Fareva UK Limited C Petras V Bozdemir
Registered number	02741673
Registered office	1 Thane Road West Nottingham England NG2 3AA
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 3 Callaghan Square Cardiff CF10 5BT

BCM LIMITED

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BCM LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present the Strategic Report of BCM Limited (the "Company") for the year ended 31 December 2022.

Business review

The key performance indicators for the Company are provided in the table below:

	2022	2021
	£M	£M
Turnover	88.7	94.7
Operating loss	(22.5)	(18.5)
Loss for the financial year	(26.5)	(19.6)
Total shareholders' funds	(24.6)	1.9

The Company is a sub-contract manufacturer producing healthcare, skincare, sun care and oral care products.

The ultimate parent company is Fareva SA a family-owned company whose strength lies in its financial independence. It is one of the world's leading contract development and manufacturing organisations in the pharmaceuticals, cosmetics, make-up, and industrial and homecare fields. Fareva operates in 12 countries with 42 factories and employs more than 13,000 employees with annual revenues reaching 2.1 billion euros in 2022.

The strategic plan of Fareva SA Group is to strengthen its position as an international industrial operator and its image as a recognised partner capable of supporting its customers all over the world. Innovation lies at the heart of the company's approach and, thanks to its dedicated R&D centres, ideas are created for customers on an ongoing basis.

The values of Fareva SA Group are passion, drive, independence, sharing and recognition.

It is thanks to a 'passion for action' that the Fareva SA Group has been so successful. This passion drives its employees, cements their enthusiasm and inspired a genuine commitment to its customers.

Thanks to the dynamic energy of its employees Fareva SA Group is expanding internationally, strengthening its subsidiaries and its entrepreneurial spirit. This drive allows all the Fareva SA Group's teams to excel at satisfying its customers.

The Fareva SA Group has chosen to maintain its financial and decision making independence. As a consequence there is a desire to respect the subsidiaries' autonomy but also provide support as necessary.

The Fareva SA Group's team spirit ethos means sharing common objectives, know-how and skills with all stakeholders.

The Fareva SA Group recognises the work and performance of its employees throughout the world and this allows each person's individual identity to be revealed.

BCM Limited shares the same approach of continuous improvement and sustainable development as the Fareva SA Group. The strategy must strike an effective balance between long-term goals and short-term performance management.

The Company has a customer focused approach and exclusively supports the customers' brands and meets the customers' needs. The aim of Fareva SA Group is to build long-term partnerships built on trust.

BCM Limited operates in a highly regulated environment and meets the requirements of its key regulatory bodies: the Medicines and Healthcare Regulatory Agency and the US Food and Drug Administration.

BCM LIMITED

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

Future developments

The impact of the global Covid-19 pandemic has had a big impact on Fareva SA Group's business in the UK. Production volumes have decreased due to some customers moving production in-house and remaining business volumes are lower than their pre-pandemic levels. The loss of business has led to both of the Fareva SA Group's UK sites having spare capacity. As a consequence Fareva SA Group decided and announced during 2023 that it is proposing to cease manufacturing operations at BCM Limited and transfer all production activities to other factories within the Fareva SA Group, including Fillcare Limited – the Fareva SA Group's factory in Wales.

The Company is currently undergoing a period of collective consultation with those employees whose roles are affected.

The Company expects factory production to continue for at least another year before it ceases completely and does not expect to make any employees redundant until early 2024. The Company remains fully committed to supporting all colleagues through the process by providing employment support services, counselling and links to other local manufacturers with available roles.

The Company's product testing service (analytical services), research and development, commercial and procurement activities will continue to operate out of the Nottingham site.

BCM LIMITED

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

Principal risks and uncertainties

The Company's directors monitor the overall risk profile of the Company and this is considered a key component to compliance with section 172 of the Companies Act 2006 as outlined below. In addition, the directors are responsible for determining clear policies as to what the Company considers to be acceptable levels of risk. These policies seek to enable people throughout the Company to use their expertise to identify risks that could undermine performance and to devise ways of bringing them to within acceptable levels. Where the directors identify risks that are not acceptable, they develop action plans to mitigate them with clear allocation of responsibilities and timescales for completion and ensure that progress towards implementing these plans is monitored and reported upon.

Macroeconomic and political environment***Risk***

The Company could be affected adversely by the impact of the current macroeconomic and political environment on key suppliers and customer groups.

Mitigation

The Company has a rigorous process for identifying and monitoring all business critical suppliers and we develop appropriate contingency plans for suppliers we consider to be vulnerable. The Company also has a rigorous planning process to assess the impact of macroeconomic and political developments on key customer groups.

Impact of regulation***Risk***

The Company operates in regulated markets and could be adversely affected by changes to existing regulation, new regulation and/or failure to comply with regulation.

Mitigation

The Company seeks to control this type of risk through understanding government thinking on regulatory matters and building relationships with regulatory bodies directly and through representation in relevant professional and trade associations.

Health, safety and environmental***Risk***

The Company could suffer reputational damage caused by a major health and safety or environmental incident.

Mitigation

The Company applies standards which are closely monitored and regularly audited. Health, safety and environmental incidents are logged and analysed in order to learn the necessary lessons. Any major incident is promptly reported to and investigated by the executive management.

Product/services***Risk***

The Company could be adversely impacted by the supply of defective products or provision of inadequate services. In particular, this could come from allowing the infiltration of counterfeit products into the supply chain, errors in re-labelling of products and contamination or product mishandling issues.

Mitigation

The Company has robust purchasing and manufacturing processes, well developed contractual controls in relation to suppliers and a cohesive product control framework. This includes specific controls for the identification of counterfeit product.

BCM LIMITED

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

Major operational business failures

Risk

The Company could be adversely impacted by a major failure of its manufacturing facility, IT systems or operational systems of key third party suppliers.

Mitigation

The Company operates rigorously audited control frameworks, regularly updates and tests business continuity plans and continually seeks to improve control of core business processes, both through self-assessment and through specific programmes relating to the delivery of key strategic projects.

Increased costs

Risk

Operating costs may be subject to increases outside the control of the Company.

Mitigation

The Company uses procurement professionals and sophisticated procurement techniques to purchase goods and services on a national and international basis. The Company carefully controls operating costs such as payroll.

Change management

Risk

The Company could be affected adversely by the failure to achieve the anticipated commercial, operational and financial benefits from the various change programmes in the course of implementation throughout the Company.

Mitigation

The Company has in place robust governance processes to control all key change programmes, including regular programme board and steering group meetings at which progress to achieve the required benefits is monitored rigorously.

Data protection

Risk

The Company processes a significant volume of confidential personal and business data and could be adversely affected if any of this data is accidentally or maliciously lost.

Mitigation

The Company applies rigorous information security policies and procedures such as strong perimeter controls, access controls and data encryption.

Currency exchange

Risk

The Company has transactional currency exposures relating to the purchase and sale of goods and services in currencies other than the Company's functional currency.

Mitigation

The Company has policies and procedures in place to manage and report transactional exposures.

Financial key performance indicators and other key performance indicators

See business review on page 1 for the key performance indicators for the Company.

BCM LIMITED

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

Directors' duties - Statement Surrounding Section 172 of the Companies Act 2006

BCM Limited has been part of the Fareva Group since 2017. Fareva has a governance structure which provides the framework for the Board of BCM Limited to make decisions for the long term success of the Group and its stakeholders. That governance structure also enables compliance with the requirements of Section 172 of the Companies act 2006 through corporate governance practices based on the principles of transparency, equity, accountability and corporate responsibility.

During 2022, BCM Limited had regards to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006, when performing its duties under section 172 through:

1. Giving effect to the Company's corporate purpose via BCM Limited's leadership team
2. Considering the likely consequences of long term decisions on all stakeholders including employees, customers and suppliers
3. Corporate Social Responsibility audits conducted by independent 3rd party auditors
4. ISO 90001 and ISO 22716 certification to ensure a high level of quality
5. ISO 14001 certification to insure we are conducting our business with the outmost respect for the environment combined with a program of energy reduction
6. Regular communications to our employees about the performance of the company
7. A set of policies to ensure that the Company maintains the highest standards of business conduct, for example, as set out in our Corruption & Anti bribery policy.
8. Regular meetings with our customers to assess our performance against their expectations

This report was approved by the board and signed on its behalf.

Mr Volkan Bozdemir

V Bozdemir
Director

Date: 29/9/2023

BCM LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the Company during the year was the manufacturing and distribution of healthcare and consumer products.

Results and dividends

The loss for the year, after taxation, amounted to £27million (2021: loss £20million).

The directors do not recommend the payment of a dividend (2021: £Nil).

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

Fareva UK Limited
C Petras
V Bozdemir

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

BCM LIMITED

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

Going concern

The financial statements have been prepared on the going concern basis. The Company is dependent on funds provided to it by Fareva UK Limited its immediate parent company, provided from the funds made available to it by the Fareva SA Group, both companies' ultimate parent undertaking.

Although there is a deficit of shareholders' funds at the end of 2022 the financial independence of the Fareva SA Group and the continual growth of the overall Fareva SA Group mitigates any risk in relation to this position.

The decision to cease manufacturing operations at BCM Limited whilst maintaining product testing services, research and development, commercial and procurement activities have been considered as part of the going concern consideration of the Company.

Fareva SA Group has indicated that for at least 12 months from the date of the approval of these financial statements it will make such funds available to Fareva UK and its subsidiary undertakings as are needed to meet its financial obligations. Both Fareva SA and Fareva UK Limited have indicated continued financial support and in particular will not seek repayment of any amounts currently repayable for at least 12 months from the approval of these financial statements. The directors consider that this should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Financial risk management

The Company's operations expose it to several financial risks.

Price risk

Fluctuations in prevailing currency exchange rates can lead to adverse purchase price variances on raw material and component purchases. However, as the Company's profitability surrounds the conversion of the purchased stock into finished goods the risk of exchange rate gains or losses on these purchased items is mitigated through periodic selling price adjustments.

Credit and interest rate risk

The Group sales department authorises new customers based on a credit risk analysis before sales are made. The Group monitors the impact of interest rate fluctuations and amends intercompany borrowing charges accordingly.

Liquidity risk

The Company is dependent on funds provided to it by Fareva UK Limited, its immediate parent company, provided from the funds made available to it by Fareva SA Group, both companies' ultimate parent undertaking.

BCM LIMITED

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

Future developments

The future developments of the Company are detailed in the Strategic Report on page 2.

Greenhouse gas emissions, energy consumption and energy efficiency action

		2022		
		kWh	Energy conversion factor	kgCO ₂ e
Electricity		11,465,622	0.19121	2,192,342
Gas		1,200	0.18219	219
Total		11,466,822		2,192,561

Production volume	(Million Finished Goods units)	73		
Consumption per unit	(kWh/1000 FG units)	157		
Emissions ratio	(kgCO ₂ e/1000 FG units)			30.0

		2021		
		kWh	Energy conversion factor	kgCO ₂ e
Electricity		11,807,239	0.21233	2,507,031
Gas		950	0.18316	174
Total		11,808,189		2,507,205

Production volume	(Million Finished Goods units)	87		
Consumption per unit	(kWh/1000 FG units)	136		
Emissions ratio	(kgCO ₂ e/1000 FG units)			28.8

Actions taken during 2022 to reduce energy usage:

- Continued conversion to LED lighting

Notes:

Energy conversion factors: The factors used above are taken from BEIS' greenhouse gas conversion factors for company reporting, published in June 2022.

Research and development activities

The Company currently performs research and development activities where technological uncertainty exists in the formulation or manufacturing changes required to deliver innovative solutions to our customers.

BCM LIMITED

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

Risk management

The Company provides products to its customers in a highly-regulated environment. As the business has grown the risk environment has become more complex and the Company's approach to risk management is continually evolving. For regulatory purposes the Company undertakes various audits during each year. The management of financial risk is detailed on page 7 of the Directors' Report.

Employees

The Company is committed to being a responsible business. Its behaviour is aligned with the expectations of its employees, customers, communities and society as a whole. BCM Limited shares the same values as the Fareva SA Group as a whole, namely:

- Respect for people
- Respect for our partners
- Respect for quality
- Respect for the environment
- Respect is essential for us... it is the value which underpins our development and sustainability

BCM Limited undertakes to respect the human rights and dignity of every employee. The Company ensures that all employees work in an environment where their safety and well-being are guaranteed. For its business to succeed the Company needs to manage employees' performance and develop and bring through talent while ensuring it operates as efficiently as possible.

Disabled employees

It is the policy of the Company to offer equal opportunities to disabled persons, within the practical constraints of any individual's ability, and always having due regard for the health and safety of every employee of the Company. The Company therefore gives practical consideration to application for employment made by disabled persons, having regard to their particular aptitudes and to ensure that those who are appointed receive the same opportunities as their colleagues for training, career development and promotions. If and when existing employees become disabled every reasonable effort will be made to ensure that their employment and training will continue.

The Company continues to consult and keep employees informed on matters which are likely to affect their interests.

Business relationship

BCM Limited's business is conducted in line with the Fareva SA Group's rules and requirements as set out in its Ethics Charter. Customer relationships are developed to try to nurture long-term mutually beneficial partnerships.

The Company values all of its suppliers and tries to have long-term contracts with its key suppliers.

Quality

BCM Limited aspires to bring the highest standards and level of integrity to all of its activities. This is achieved by:

- Good manufacturing practices and guaranteed traceability
- Risk analysis
- Change control
- Continuous improvement
- Regulatory affairs support

BCM LIMITED

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

Environment

The growth of the Fareva SA Group is underpinned by a policy that genuinely respects natural resources and the environment in which it operates. The policy includes:

- Prevention of all accidents and any risk of pollution
- Training for employees on environmental issues
- Development of local partnerships
- Support for clients in terms of their products eco-design
- Assisting our clients for the supply of responsibly sourced packaging components and raw materials.

Qualifying third party indemnity provisions

The directors confirm that the Company has appropriate Directors and Officers insurance in line with the shareholder agreement.

Post balance sheet events

Please see the future developments note outlined within the strategic report on page 2.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Mr Volkan Bozdemir

V Bozdemir
Director

Date: 29/9/2023



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BCM LIMITED

Opinion

We have audited the financial statements of BCM Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as the current inflationary and interest rate pressures, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BCM LIMITED (CONTINUED)

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

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 this regard.

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BCM LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006*

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 material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement as set out on page 6, 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BCM LIMITED (CONTINUED)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified Financial Reporting Standard 102 and the Companies Act 2006, as those most likely to have a material effect if non-compliance were to occur;
- We obtained an understanding of how the Company is complying with significant legal and regulatory frameworks through inquiries of management;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. We considered the opportunity and incentives for management to perpetrate fraud, and the potential impact on the financial statements;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Company's operations, including the nature of its revenue sources, products, and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the Company's control environment;
 - the Company's relevant controls over areas of significant risks; and
 - the Company's business processes in respect of classes of transactions that are significant to the financial statements.
- Audit procedures performed by the engagement team included;
 - identifying the significant risk of fraud within revenue recognition and undertaking substantive testing to obtain sufficient and appropriate audit evidence;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and
 - identifying and testing related party transactions.
- These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BCM LIMITED (CONTINUED)

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included:
 - consideration of the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity;
 - appropriate training, knowledge of the industry in which the Company operates; and
 - understanding of the legal and regulatory requirements specific to the Company.
- We communicated relevant laws and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit;

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

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.

Grant Thornton UK LLP

Dylan Rees BSc ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cardiff
Date: 29/9/2023

BCM LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £M	2021 £M
Turnover	4	88.7	94.7
Cost of sales		(91.2)	(93.3)
Gross (loss)/profit		(2.5)	1.4
Administrative expenses		(21.9)	(21.2)
Other operating income	5	1.9	1.3
Operating loss	6	(22.5)	(18.5)
Interest payable and similar expenses	10	(4.2)	(1.1)
Loss before tax		(26.7)	(19.6)
Tax on loss	11	0.2	-
Loss for the financial year		(26.5)	(19.6)

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

The notes on pages 19 to 38 form part of these financial statements.

BCM LIMITED
REGISTERED NUMBER:02741673

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £M	2021 £M
Fixed assets			
Intangible assets	12	3.8	4.9
Tangible assets	13	24.3	26.5
		<u>28.1</u>	<u>31.4</u>
Current assets			
Stocks	14	30.6	22.9
Debtors	15	14.0	12.4
Cash at bank and in hand		0.3	0.1
		<u>44.9</u>	<u>35.4</u>
Creditors: amounts falling due within one year	17	(96.7)	(64.0)
Net current liabilities		<u>(51.8)</u>	<u>(28.6)</u>
Total assets less current liabilities		<u>(23.7)</u>	<u>2.8</u>
Provisions for liabilities			
Deferred taxation		(0.9)	(0.9)
Net (liabilities)/assets		<u>(24.6)</u>	<u>1.9</u>
Capital and reserves			
Called up share capital	19	24.0	24.0
Share premium account	20	134.7	134.7
Profit and loss account	20	(183.3)	(156.8)
		<u>(24.6)</u>	<u>1.9</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29/9/2023

Mr Volkan Bozdemir
V Bozdemir
 Director

The notes on pages 19 to 38 form part of these financial statements.

BCM LIMITED

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

	Called up share capital	Share premium account	Profit and loss account	Total shareholders' funds
	£M	£M	£M	£M
At 1 January 2022	24.0	134.7	(156.8)	1.9
Comprehensive expense for the financial year				
Loss for the financial year	-	-	(26.5)	(26.5)
Total comprehensive expense for the financial year	-	-	(26.5)	(26.5)
At 31 December 2022	24.0	134.7	(183.3)	(24.6)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Profit and loss account	Total shareholders' funds
	£M	£M	£M	£M
At 1 January 2021	24.0	134.7	(137.2)	21.5
Comprehensive expense for the financial year				
Loss for the financial year	-	-	(19.6)	(19.6)
Total comprehensive expense for the financial year	-	-	(19.6)	(19.6)
At 31 December 2021	24.0	134.7	(156.8)	1.9

The notes on pages 19 to 38 form part of these financial statements.

BCM LIMITED

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

1. General information

BCM Limited is a private company limited by shares and is incorporated in the United Kingdom and registered and domiciled in England. The address of its registered office is 1 Thane Road West, Nottingham, England, NG2 3AA.

The principal activity of the Company during the year was the manufacturing and distribution of healthcare and consumer products.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest million pounds (£M) except when otherwise stated.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of Fareva SA as at 31 December 2022 and these financial statements may be obtained from 28 place de la Gare, L-1616 Luxembourg.

BCM LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis. The Company is dependent on funds provided to it by Fareva UK Limited, its immediate parent company, provided from the funds made available to it by Fareva SA, both companies' ultimate parent undertaking.

Although there is a deficit of shareholders' funds at the end of 2022 the financial independence of the Group and the continual growth of the overall Group mitigates any risk in relation to this position.

The decision to cease manufacturing operations at BCM Limited whilst maintaining product testing services, research and development, commercial and procurement activities have been considered as part of the going concern consideration of the Company.

Fareva SA has indicated that for at least 12 months from the date of the approval of these financial statements it will make such funds available to Fareva UK Limited and its subsidiary undertakings as are needed to meet its financial obligations. Both Fareva SA and Fareva UK Limited have indicated continued financial support and in particular will not seek repayment of any amounts currently repayable for at least 12 months from the approval of these financial statements. The directors consider that this should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

2.4 Turnover

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, and value added taxes. The company recognises revenue when performance obligations have been satisfied and for the company this is when the goods or services have transferred to the customer and the customer has control of these.

BCM LIMITED

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

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income as they are incurred.

2.6 Foreign currency translation

The Company's functional and presentational currency is Pound Sterling.

Currency transactions

Transactions denominated in currencies other than an entity's functional currency are translated into an entity's functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in currencies other than an entity's functional currency at the period-end are translated at the exchange rate ruling at that date. Non-monetary assets and liabilities that are measured at historical cost and are denominated in currencies other than an entity's functional currency are translated using the exchange rates at the date of the transaction. Exchange gains and losses are recognised in the Statement of Comprehensive Income.

2.7 Operating loss

Operating loss is stated after charging reorganisation costs but before investment income and finance costs.

BCM LIMITED

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

2. Accounting policies (continued)**2.8 Current and deferred taxation**

The tax credit represents the sum of the current tax and deferred tax.

Current tax

The tax currently payable or receivable is based on taxable profit or loss for the period. Taxable profit or loss differs from net profit or loss as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for or recovery of current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Balance Sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the Balance Sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the period

Current and deferred tax are recognised in the Statement of Comprehensive Income, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

BCM LIMITED

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

2. Accounting policies (continued)

2.9 Impact of new international reporting standards, amendments and interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have a material impact on the company's financial statements.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. A life of 5 years is used for software assets. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Assets under the course of construction are not amortised.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

BCM LIMITED

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

2. Accounting policies (continued)**2.12 Tangible assets**

All tangible assets are stated at cost or deemed cost less accumulated depreciation and impairment losses.

Depreciation of tangible assets is provided to write off the cost, less residual value, in equal installments over their expected useful economic lives which are:

- Long-leasehold land and assets in the course of construction - not depreciated;
- Long-leasehold land and buildings - depreciated to their estimated residual values over their useful economic lives of not more than 50 years;
- Plant and machinery - 5 to 15 years; and
- Fixtures, fittings, tools and equipment - 4 to 20 years.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets under the course of construction are not depreciated.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the Statement of Comprehensive Income.

2.13 Impairment of tangible and intangible assets

At each Balance Sheet date, the Company reviews the carrying amounts of its tangible and intangible 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 to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal 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 of 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

BCM LIMITED

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

2. Accounting policies (continued)**2.14 Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Cost is calculated using manufacturing standard cost basis. The cost of raw materials and packaging is the cost of purchase on a weighted average cost basis. The cost of work in progress and finished goods comprises of the standardised purchase cost of goods plus a standardised allocation of direct labour and overheads related to distribution and manufacture based on normal activity levels. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.15 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash and bank balances comprises cash in hand and short term deposits with maturities of three months or less from the date of acquisition.

2.17 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.18 Provisions for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

BCM LIMITED

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

2. Accounting policies (continued)**2.19 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets other than those which meet the criteria to be measured at amortised cost or fair value through other comprehensive income are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Debt instruments at fair value through other comprehensive income

Debt instruments are subsequently measured at fair value through other comprehensive income where they are financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments at fair value through other comprehensive income

On initial recognition of an investment in equity instrument, the Company may make an irrevocable election to designate the financial assets as at fair value through other comprehensive income, providing that it is not held for trading nor is it contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies.

BCM LIMITED

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

2. Accounting policies (continued)**2.19 Financial instruments (continued)****Impairment of financial assets**

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities**Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

BCM LIMITED

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

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, 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.

Key sources of estimation uncertainty

The following are key sources of estimation uncertainty that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Stock provisions

Management estimation is required for the recognition of certain stock provisions. This estimate is based on the historical trends and business information on various factors which cause impairment to the valuation for specific stock items.

Trade receivables provisions

Management estimation is required when determining if the recognition of trade receivables provisions is applicable, given all relevant information on accounts outstanding at Balance Sheet date.

Depreciation and amortisation

The Company exercises judgement to determine useful lives and residual values of tangible and intangible fixed assets. The assets are depreciated down to their residual values over their estimated useful lives.

Carrying value of non-current assets

Based on an assessment of future performance, management believe that the carrying value of non-current assets is reasonable and therefore that no impairment charge is required in the current year.

Critical judgements in applying the Company's accounting policies

There are no key assumptions concerning the future, and other critical judgements in applying the Company's accounting policies at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

BCM LIMITED

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

4. Turnover

An analysis of turnover by class of business is as follows:

	2022	2021
	£M	£M
Sale of goods	79.7	85.8
Rendering of services	9.0	8.9
	<u>88.7</u>	<u>94.7</u>

Analysis of turnover by country of destination:

	2022	2021
	£M	£M
United Kingdom	76.8	78.8
Europe	11.7	15.9
Rest of World	0.2	-
	<u>88.7</u>	<u>94.7</u>

The key geographies included in the disclosure above are:

- Switzerland £7,900,000 (2021: £9,400,000)
- Sweden £2,200,000 (2021: £4,200,000)

5. Other operating income

	2022	2021
	£M	£M
Other operating income	<u>1.9</u>	<u>1.3</u>

BCM LIMITED

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

6. Operating loss

The operating loss is stated after charging/(crediting):

	2022	2021
	£M	£M
Reorganisation costs	3.1	1.7
Depreciation of tangible assets (note 13)	3.4	3.3
Amortisation of intangible assets (note 12)	1.4	1.4
Net foreign exchange (gains)/losses	0.5	(0.4)
Cost of inventories recognised as an expense (note 14)	58.1	61.1
Write-down of inventories recognised as an expense	18.3	11.6
Reversals of write downs of inventories recognised as an expense	(8.8)	(6.2)
	<u> </u>	<u> </u>

The reorganisation costs in the current year of £3.1 million (2021: £1.7 million) relate to a restructuring programme that forms part of an ongoing strategic transformation of the business linked to capital investment and a change of focus to higher value, efficiently produced lines.

7. Auditors' remuneration

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2022	2021
	£000	£000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	67.6	35.0
Other non-audit fees payable	2.6	3.0
	<u> </u>	<u> </u>
	<u>70.2</u>	<u>38.0</u>

8. Employees

All staff and directors were employed and paid on behalf of the Company by a fellow Group undertaking.

BCM LIMITED

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

9. Directors' remuneration

	2022	2021
	£M	£M
Aggregate directors' remuneration	0.2	0.1

During the year retirement benefits were accruing to 1 director (2021: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £0.2 million (2021: £0.1 million).

The directors' remuneration is split accordingly between BCM Specials Limited and BCM Limited.

10. Interest payable and similar expenses

	2022	2021
	£M	£M
Interest payable to external parties	-	0.1
Interest payable to Group undertakings	1.4	0.3
Financing fees	0.3	0.2
Net foreign exchange loss	2.5	0.5
	4.2	1.1

11. Tax on loss

	2022	2021
	£M	£M
Corporation tax		
Current tax on losses for the financial year	(0.2)	(0.1)
Total current tax	(0.2)	(0.1)
Deferred tax		
Origination and reversal of timing differences	0.1	0.2
Adjustments in respect of prior years	(0.1)	(0.1)
Total deferred tax	-	0.1
Taxation on (loss)/profit on ordinary activities	(0.2)	-

BCM LIMITED

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

11. Tax on loss (continued)

Factors affecting tax credit for the year

The tax assessed for the year is higher than (2021: *higher than*) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £M	2021 £M
Loss on ordinary activities before tax	(26.7)	(19.6)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(5.1)	(3.7)
Effects of:		
Tax losses - deferred tax asset not recognised	5.0	3.8
Capital allowances for year in excess of depreciation	-	(0.1)
Adjustments in respect of prior years	(0.1)	-
Total tax charge for the year	(0.2)	-

Deferred tax assets of £5,000,000 (2021: £3,800,000) have not been recognised in respect of losses amounting to £26,300,000 (2021: £20,000,000) which can be carried forward against future taxable income.

Factors that may affect future tax charges

The 2021 Spring Budget included an announcement to increase the standard rate of corporation tax rate from 19% - 25% from 1 April 2023. Since the proposal to increase the rate was substantively enacted prior to the year at the Statement of Financial Position date, deferred tax was provided at 25% for the year ended 31 December 2022. The impact on the opening position of restating the deferred tax balance has been recognised within the Statement of Comprehensive Income.

BCM LIMITED

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

12. Intangible assets

	Assets in the course of construction £M	Software £M	Total £M
Cost			
At 1 January 2022	13.8	7.6	21.4
Additions - external	0.1	0.2	0.3
At 31 December 2022	13.9	7.8	21.7
Amortisation			
At 1 January 2022	13.7	2.8	16.5
Charge for the year on owned assets	-	1.4	1.4
At 31 December 2022	13.7	4.2	17.9
Net book value			
At 31 December 2022	0.2	3.6	3.8
<i>At 31 December 2021</i>	0.1	4.8	4.9

The amortisation charge for the year is £1,400,000 (2021: £1,375,000).

Amortisation on intangible assets is charged to admin expenses.

The software intangible asset includes the company's financial management system.

BCM LIMITED

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

13. Tangible assets

	Long-term leasehold land and buildings £M	Plant and machinery £M	Fixtures, fittings, tools and equipment £M	Assets in the course of construction £M	Total £M
Cost or valuation					
At 1 January 2022	0.7	36.0	19.1	8.4	64.2
Additions	-	0.3	-	0.9	1.2
Transfers between classes	2.3	1.3	1.0	(4.6)	-
At 31 December 2022	3.0	37.6	20.1	4.7	65.4
Depreciation					
At 1 January 2022	0.1	21.1	15.4	1.1	37.7
Charge for the year on owned assets	0.1	2.6	0.7	-	3.4
At 31 December 2022	0.2	23.7	16.1	1.1	41.1
Net book value					
At 31 December 2022	2.8	13.9	4.0	3.6	24.3
At 31 December 2021	0.6	14.9	3.7	7.3	26.5

14. Stocks

	2022 £M	2021 £M
Raw materials and consumables	24.9	16.8
Work in progress	1.0	1.8
Finished goods and goods for resale	4.7	4.3
	30.6	22.9

The cost of inventories recognised as an expense during the year was £58.1 million (2021: £61.1 million).

Inventories are stated after a provision for impairment of £6.3 million (2021: £5.6 million).

BCM LIMITED

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

15. Debtors

	2022	2021
	£M	£M
Trade debtors	6.5	4.9
Amounts owed by Group undertakings	1.4	4.4
Other debtors	2.1	2.2
Prepayments and accrued income	4.0	0.9
	<u>14.0</u>	<u>12.4</u>

Trade debtors are stated after provisions for impairment of £Nil (2021: £Nil).

Amounts owed by Group undertakings at 31 December 2022 includes a cash pooling facility of £Nil (2021: £4.0m) with Fareva UK Limited which is unsecured, has no fixed date for repayment, is repayable on demand and accrues interest at 1 month SONIA +1.45% for days when in credit and 1 month SONIA for days when in debit, rate updated monthly to the rate at the end of the prior period.

Remaining amounts owed by group undertakings are unsecured, interest free, and have no fixed date of repayment and are repayable on demand.

16. Cash at bank and in hand

	2022	2021
	£M	£M
Cash at bank and in hand	<u>0.3</u>	<u>0.1</u>

BCM LIMITED

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

17. Creditors: amounts falling due within one year

	2022	2021
	£M	£M
Borrowings and overdrafts	-	0.2
Trade creditors	16.2	14.4
Amounts owed to Group undertakings	49.7	17.9
Corporation tax	0.2	0.2
Taxation and social security	0.7	1.7
Other creditors	20.4	15.6
Accruals and deferred income	9.5	14.0
	<u>96.7</u>	<u>64.0</u>

Amounts owed to group undertakings includes £45,291,526 (2021: £14,266,085) related to a cash pooling facility with Fareva UK Limited and Fareva SA which is unsecured, has no fixed date for repayment, is repayable on demand and accrued interest at SONIA + 1.45% for days when in credit and SONIA for days when in debit.

Remaining amounts owed to group undertakings are unsecured, interest free, and have no fixed date of repayment and are repayable on demand.

BCM LIMITED

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

18. Deferred taxation

	2022 £M
At beginning of the year	(0.9)
At end of the year	(0.9)

The provision for deferred taxation is made up as follows:

	2022 £M	2021 £M
Net accelerated tax depreciation	<u>0.9</u>	<u>0.9</u>

19. Called up share capital

	2022 £M	2021 £M
Allotted, called up and fully paid		
24,000,105 (2021: 24,000,105) Ordinary shares of £1.00 each	<u>24</u>	<u>24</u>

The Company has one class of ordinary shares which carry no right to fixed income.

20. Reserves**Share premium account**

The share premium account represents the consideration received on the issue of shares in the Company in excess of nominal value of those shares, net of issue cost, bonus issue of shares and any subsequent capital reductions.

Profit and loss account

The profit and loss account represents the accumulated profits, losses, and distributions of the Company.

21. Contingent liabilities

The Company has no material contingent liabilities other than those arising in the normal course of business.

BCM LIMITED

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

22. Financial commitments

Capital commitments at the Balance Sheet date for which no provisions have been made, are presented as follows:

	2022 £M	2021 £M
Contracted		
- tangible assets	-	0.3

23. Related party transactions

The Company has taken advantage of the exemption available under FRS 101 from disclosing transactions with other wholly owned group companies that are part of the Fareva SA Group.

There are no other related party transactions to disclose.

24. Post balance sheet events

The impact of the global Covid-19 pandemic has had a big impact on Fareva SA Group's business in the UK. Production volumes have decreased due to some customers moving production in-house and remaining business volumes are lower than their pre-pandemic levels. The loss of business has led to both of the Fareva SA Group's UK sites having spare capacity. As a consequence Fareva SA Group decided and announced during 2023 that it is proposing to cease manufacturing operations at BCM Limited and transfer all production activities to other factories within the Fareva SA Group, including Fillcare Limited – the Fareva SA Group's factory in Wales.

The Company is currently undergoing a period of collective consultation with those employees whose roles are affected.

The Company expects factory production to continue for at least another year before it ceases completely and does not expect to make any employees redundant until early 2024. The Company remains fully committed to supporting all colleagues through the process by providing employment support services, counselling and links to other local manufacturers with available roles.

The Company's product testing service (analytical services), research and development, commercial and procurement activities will continue to operate out of the Nottingham site.

25. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Fareva UK Limited, which owns 100% of the Company's shares.

The ultimate parent undertaking and controlling party is Fareva SA, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. The consolidated financial statements of Fareva SA can be obtained from 28 Place de la Gare, L-1616 Luxembourg.