

BACHEM (U.K.) LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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BACHEM (U.K.) LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2017

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BACHEM (U.K.) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

DIRECTORS:

Dr T Frueh
Dr J Marley
Dr A K Fassler
Mr S Schindler

REGISTERED OFFICE:

1 Delph Court
Sullivans Way
St Helens
Merseyside
WA9 5GL

REGISTERED NUMBER:

02006400 (England and Wales)

AUDITORS:

Livesey Spottiswood Ltd
Chartered Accountants and
Statutory Auditors
17 George Street
St Helens
Merseyside
WA10 1DB

BANKERS:

Barclays Bank Plc
19 Church Street
St. Helens
Merseyside
WA10 1BG

BACHEM (U.K.) LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their strategic report for the year ended 31 December 2017.

Bachem is a listed technology-based group focused on peptide chemistry. The group provides a full range of services to the Pharma and biotech industries. It specialises in the development of innovative, efficient manufacturing processes and reliable production of peptide-based active pharmaceutical ingredients. A comprehensive catalogue of biochemicals and exclusive custom syntheses for research laboratories complete the service portfolio. Within the Bachem group, Bachem (UK) Limited is the Centre of Excellence for research products and as such the principle activity is focused on the core competency; manufacture of custom and catalogue of peptides.

REVIEW OF BUSINESS

The results for the year and the financial position of the company are included in the annexed financial statements.

Sales revenue in the year has increased significantly by 22% from the previous year and was above budget expectations by 8%. The additional business opportunities and increased project portfolio following the acquisition and integration of American Peptide Company in 2015 was further consolidated in 2017, evidenced by the continued increase in custom peptides sales at Bachem (UK) Limited. Growth in sales revenue was observed within both Europe and US markets, which is expected to continue in future years with Bachem (UK) Limited's continued commitment to Quality standards.

The operating result (EBIT) of 7%, the company's main key performance indicator, is above budget expectations of 3%. The decrease from the previous year is attributable to increased depreciation due to the continued investment in capital equipment and the corresponding increased costs of repair and maintenance. The effects of significant currency exchange gains in the previous year have also contributed to the apparent reduction in operating profit in the current year.

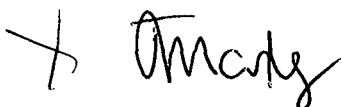
Continued group purchasing synergies for critical raw materials together with process efficiencies contributed to the costs of materials being below previous year in terms of percentage of sales, and at budget expectations.

The directors are satisfied that the results are within expectations and reflect both the current market for research peptides and the facility expansion completed in 2017, which will ensure the company remains in a strong competitive position within the market place in the future.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider the principal risks and uncertainties facing the business to be direct and indirect competition from Asia, which has continued to erode pricing and negatively impact sales within both the European and US peptide markets. This impact is expected to be reduced for future years as the economic climate improves.

ON BEHALF OF THE BOARD:



.....
Dr J Marley - Director

Date: 4/4/18
.....

BACHEM (U.K.) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Dr T Frueh
Dr J Marley
Dr A K Fassler
Mr S Schindler

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 Swiss GAAP FER, IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. 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 that the financial statements comply with Swiss GAAP FER;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:


.....
Dr A K Fassler - Director

Date: April 5, 2018

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BACHEM (U.K.) LIMITED**

Opinion

We have audited the financial statements of Bachem (U.K.) Limited (the 'company') for the year ended 31 December 2017 on pages six to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 a Report of the Auditors 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Auditors' 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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.

Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 Report of the Directors.

We have nothing to report in respect of the following matters where 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BACHEM (U.K.) LIMITED**

Responsibilities of directors

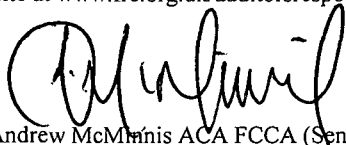
As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary 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.

Our 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Mr Andrew McManis ACA FCCA (Senior Statutory Auditor)
for and on behalf of Livesey Spottiswood Ltd
Chartered Accountants and
Statutory Auditors
17 George Street
St Helens
Merseyside
WA10 1DB

Date: 11 May 2018

BACHEM (U.K.) LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

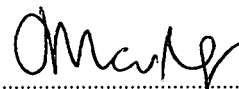
	Notes	2017 £	2016 £
CONTINUING OPERATIONS			
Revenue		3,428,794	2,800,770
Cost of sales		(1,877,760)	(1,308,742)
GROSS PROFIT		1,551,034	1,492,028
Distribution costs		(83,567)	(108,131)
Administrative expenses		(1,240,980)	(957,211)
OPERATING PROFIT		226,487	426,686
Finance costs	4	(1,605)	(1,417)
Finance income	4	905	548
PROFIT BEFORE INCOME TAX	5	225,787	425,817
Income tax	6	(40,907)	(66,859)
PROFIT FOR THE YEAR		184,880	358,958
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		184,880	358,958

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2017

	Notes	2017 £	2016 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,533,680	2,804,182
CURRENT ASSETS			
Inventories	8	902,168	847,901
Trade and other receivables	9	257,014	263,531
Tax receivable		11,900	-
Cash and cash equivalents	10	338,277	643,780
		1,509,359	1,755,212
TOTAL ASSETS		5,043,039	4,559,394
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	11	2,500	2,500
Share premium	12	380,409	380,409
Retained earnings	12	3,799,631	3,614,751
TOTAL EQUITY		4,182,540	3,997,660
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax	16	213,141	197,377
CURRENT LIABILITIES			
Trade and other payables	13	347,358	289,182
Financial liabilities - borrowings			-
Interest bearing loans and borrowings	14	300,000	-
Tax payable		-	75,175
		647,358	364,357
TOTAL LIABILITIES		860,499	561,734
TOTAL EQUITY AND LIABILITIES		5,043,039	4,559,394

The financial statements were approved by the Board of Directors on 5 April 2018 and were signed on its behalf by:

+ 
Dr J Marley - Director

+ 
Dr A K Fassler - Director

The notes form part of these financial statements

BACHEM (U.K.) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2016	2,500	3,255,793	380,409	3,638,702
Changes in equity				
Total comprehensive income	-	358,958	-	358,958
Balance at 31 December 2016	2,500	3,614,751	380,409	3,997,660
Changes in equity				
Total comprehensive income	-	184,880	-	184,880
Balance at 31 December 2017	2,500	3,799,631	380,409	4,182,540

The notes form part of these financial statements

BACHEM (U.K.) LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

		2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	538,443	492,751
Interest paid		(1,605)	(1,417)
Tax paid		(112,218)	-
Tax refunded		-	24,193
Net cash from operating activities		<u>424,620</u>	<u>515,527</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,031,028)	(437,431)
Interest received		905	548
Net cash from investing activities		<u>(1,030,123)</u>	<u>(436,883)</u>
Cash flows from financing activities			
New loan in year		300,000	-
Loan repayments in year		-	(150,000)
Net cash from financing activities		<u>300,000</u>	<u>(150,000)</u>
Decrease in cash and cash equivalents		<u>(305,503)</u>	<u>(71,356)</u>
Cash and cash equivalents at beginning of year	2	643,780	715,136
Cash and cash equivalents at end of year	2	<u><u>338,277</u></u>	<u><u>643,780</u></u>

The notes form part of these financial statements

BACHEM (U.K.) LIMITED

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Profit before income tax	225,787	425,817
Depreciation charges	301,530	262,299
Finance costs	1,605	1,417
Finance income	(905)	(548)
	<u>528,017</u>	<u>688,985</u>
Increase in inventories	(54,267)	(441,736)
Decrease in trade and other receivables	6,517	212,434
Increase in trade and other payables	58,176	33,068
	<u>538,443</u>	<u>492,751</u>
Cash generated from operations	<u><u>538,443</u></u>	<u><u>492,751</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2017

	31/12/17	1/1/17
	£	£
Cash and cash equivalents	<u>338,277</u>	<u>643,780</u>

Year ended 31 December 2016

	31/12/16	1/1/16
	£	£
Cash and cash equivalents	<u>643,780</u>	<u>715,136</u>

The notes form part of these financial statements

BACHEM (U.K.) LIMITED

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

1. STATUTORY INFORMATION

Bachem (U.K.) 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.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Swiss GAAP FER and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies as set out below, management is required 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 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.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is not recognised until the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2.5% on cost
Fixtures, fittings and equipment	- 10% on cost
Computer equipment	- 33% on cost

Inventories

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

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

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position 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.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Government grants

Government grants are recorded at fair value provided there is a reasonable assurance that the grant will take place and that all requirements attached to it will be fulfilled.

Investments

Investments held as non-current assets are stated at cost less provision for any impairment.

BACHEM (U.K.) LIMITED

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

2. ACCOUNTING POLICIES - continued

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

3. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	1,000,975	874,788
Social security costs	89,464	78,084
Other pension costs	100,826	86,238
	<u>1,191,265</u>	<u>1,039,110</u>

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

	2017	2016
Production	35	31
Administration	4	4
	<u>39</u>	<u>35</u>

	2017	2016
	£	£
Directors' remuneration	57,741	56,273
Directors' pension contributions to money purchase schemes	<u>21,938</u>	<u>19,806</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2017	2016
Money purchase schemes	<u>1</u>	<u>1</u>

4. NET FINANCE COSTS

	2017	2016
	£	£
Finance income:		
Deposit account interest	<u>905</u>	<u>548</u>
Finance costs:		
Interest on group loan	<u>1,605</u>	<u>1,417</u>
Net finance costs	<u>700</u>	<u>869</u>

BACHEM (U.K.) LIMITED

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

5. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging/(crediting):

	2017	2016
	£	£
Cost of inventories recognised as expense	1,877,760	1,308,742
Depreciation - owned assets	301,530	262,299
Foreign exchange differences	123	(141,608)
Auditors' remuneration - audit fee	9,500	9,500
Operating leases	1,881	3,762
	<u> </u>	<u> </u>

6. INCOME TAX

Analysis of tax expense

	2017	2016
	£	£
Current tax:		
Tax	25,100	75,175
Prior periods	43	(25,693)
	<u> </u>	<u> </u>
Total current tax	25,143	49,482
Deferred tax	15,764	17,377
	<u> </u>	<u> </u>
Total tax expense in statement of profit or loss and other comprehensive income	40,907	66,859
	<u> </u>	<u> </u>

Factors affecting the tax expense

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2017	2016
	£	£
Profit before income tax	225,787	425,817
	<u> </u>	<u> </u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	45,157	85,163
Effects of:		
Expenses not deductible for tax purposes	30	29
Capital allowances in surplus/(excess) of depreciation	(19,084)	(9,988)
Adjustments to tax charge in respect of previous years	43	(25,693)
Rounding on provision	(20)	(29)
Movement in deferred tax	15,764	17,377
Effect of changes in tax rate	(983)	-
	<u> </u>	<u> </u>
Tax expense	40,907	66,859
	<u> </u>	<u> </u>

BACHEM (U.K.) LIMITED

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

7. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	Fixtures, fittings and equipment £	Computer equipment £	Totals £
COST				
At 1 January 2017	2,076,570	3,047,022	332,720	5,456,312
Additions	400,637	605,811	24,580	1,031,028
At 31 December 2017	<u>2,477,207</u>	<u>3,652,833</u>	<u>357,300</u>	<u>6,487,340</u>
DEPRECIATION				
At 1 January 2017	449,544	1,894,562	308,024	2,652,130
Charge for year	53,438	224,864	23,228	301,530
At 31 December 2017	<u>502,982</u>	<u>2,119,426</u>	<u>331,252</u>	<u>2,953,660</u>
NET BOOK VALUE				
At 31 December 2017	<u>1,974,225</u>	<u>1,533,407</u>	<u>26,048</u>	<u>3,533,680</u>
At 31 December 2016	<u>1,627,026</u>	<u>1,152,460</u>	<u>24,696</u>	<u>2,804,182</u>

8. INVENTORIES

	2017 £	2016 £
Raw materials	368,729	332,127
Work-in-progress	172,056	463,510
Finished goods	361,383	52,264
	<u>902,168</u>	<u>847,901</u>

9. TRADE AND OTHER RECEIVABLES

	2017 £	2016 £
Current:		
Amounts owed by group undertakings	154,919	180,958
Other debtors	84,027	63,726
Prepayments and accrued income	18,068	18,847
	<u>257,014</u>	<u>263,531</u>

10. CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	272	213
Bank accounts	338,005	643,567
	<u>338,277</u>	<u>643,780</u>

BACHEM (U.K.) LIMITED

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

11. CALLED UP SHARE CAPITAL

Allotted and issued:		Nominal value:	2017 £	2016 £
Number:	Class:			
2,500	Ordinary	£1	<u>2,500</u>	<u>2,500</u>

12. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2017	3,614,751	380,409	3,995,160
Profit for the year	184,880	-	184,880
At 31 December 2017	<u>3,799,631</u>	<u>380,409</u>	<u>4,180,040</u>

13. TRADE AND OTHER PAYABLES

	2017 £	2016 £
Current:		
Trade creditors	148,660	126,096
Social security and other taxes	22,083	22,882
Amounts due to group undertakings	61,125	31,300
Accrued expenses	115,490	108,904
	<u>347,358</u>	<u>289,182</u>

14. FINANCIAL LIABILITIES - BORROWINGS

	2017 £	2016 £
Current:		
Parent company loan	<u>300,000</u>	<u>-</u>
Terms and debt repayment schedule		
Parent company loan		<u>1 year or less £ 300,000</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017 £	2016 £
Within one year	1,881	-
Between one and five years	2,086	7,039
	<u>3,967</u>	<u>7,039</u>

BACHEM (U.K.) LIMITED

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

16. DEFERRED TAX

	2017	2016
	£	£
Balance at 1 January	197,377	180,000
Movement in the year	15,764	17,377
	<u>213,141</u>	<u>197,377</u>
Balance at 31 December	<u>213,141</u>	<u>197,377</u>

The deferred tax provision is wholly in respect of accelerated capital allowances.

17. ULTIMATE PARENT COMPANY

The directors consider the ultimate holding company to be Bachem Holding A G., a company incorporated in Switzerland. Copies of the consolidated group accounts are available from Delph Court, Sullivans Way, St Helens, WA9 5GL.

18. CAPITAL COMMITMENTS

The company has capital commitments of £84,500 at the year end (2016 £106,170).

19. RELATED PARTY DISCLOSURES

During the period Bachem (UK) Limited has transactions with the following related parties by virtue of common control of the ultimate shareholders and Managing Directors.

	Goods sold in year	Goods purchased in year	Amount recoverable at year end	Amount payable at year end
Bachem Holding -2017	nil	£25,605	nil	£325,217
(2016)	nil	£21,417	nil	nil
Bachem AG-2017	£1,190,753	£502,497	£79,996	£35,909
(2016)	£899,146	£435,067	£63,741	£31,289
Bachem Americas Inc 2017	£1,548,787	£5,060	£37,277	nil
(2016)	£937,625	£1,158	£92,805	£11
Bachem Distribution-2017	£689,254	£9,073	£37,646	nil
(2016)	£963,999	£5,115	£24,412	nil