

BAC CORROSION CONTROL LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2008

BAC CORROSION CONTROL LIMITED

INDEPENDENT AUDITORS' REPORT TO BAC CORROSION CONTROL LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts of BAC Corrosion Control Limited for the year ended 31 December 2008, which comprise the abbreviated balance sheet and related notes, together with the financial statements of the company for the year ended 31 December 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts are properly prepared in accordance with those provisions.

PKF (UK) LLP

Birmingham, UK

Date:

BAC CORROSION CONTROL LIMITED

**ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Note	£	2008 £	£	2007 £
FIXED ASSETS					
Tangible fixed assets			192,463		191,621
CURRENT ASSETS					
Stocks		683,311		534,600	
Debtors		1,272,299		1,093,844	
Cash at bank		555,534		243,714	
			<u>2,511,144</u>		<u>1,872,158</u>
CREDITORS: amounts falling due within one year	2		<u>(1,129,608)</u>		<u>(779,705)</u>
NET CURRENT ASSETS			<u>1,381,536</u>		<u>1,092,453</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,573,999</u>		<u>1,284,074</u>
CREDITORS: amounts falling due after more than one year	3		<u>-</u>		<u>(12,067)</u>
NET ASSETS			<u><u>1,573,999</u></u>		<u><u>1,272,007</u></u>
CAPITAL AND RESERVES					
Called up share capital	4		1,000,000		1,000,000
Profit and loss account			573,999		272,007
SHAREHOLDERS' FUNDS			<u><u>1,573,999</u></u>		<u><u>1,272,007</u></u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved and authorised for issue by the board and were signed on its behalf on

T R Mårtensson
Director

A P Gerrard
Director

The notes on pages 3 to 5 form part of these financial statements.

BAC CORROSION CONTROL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.
Turnover is recognised when goods are despatched or services completed.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land and buildings	-	10%	straight line
Plant & machinery	-	10%	straight line
Motor vehicles	-	20%	straight line
Office equipment	-	33%	straight line
Computer equipment	-	33%	straight line

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

1.6 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is determined on a first in first out basis, and includes all direct costs incurred and attributable production overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

BAC CORROSION CONTROL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1. ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**2. CREDITORS:
Amounts falling due within one year**

Finance lease and hire purchase creditors of £9,734 (2007 : £10,583) are secured on the related assets.

**3. CREDITORS:
Amounts falling due after more than one year**

Finance lease and hire purchase creditors of £nil (2007 : £12,062) are secured on the related assets.

4. SHARE CAPITAL

	2008 £	2007 £
Authorised, allotted, called up and fully paid		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

BAC CORROSION CONTROL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

5. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Midroc Holding AB, a company incorporated in Sweden.