

**BAC CORROSION CONTROL LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

## BAC CORROSION CONTROL LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAC CORROSION CONTROL LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, which comprise the abbreviated balance sheet and the related notes, together with the financial statements of 31 December 2010 for the year ended BAC Corrosion Control Limited prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, as a body, in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state in an 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 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the registrar of companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

#### **Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 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 section 444 (3) of the Companies Act 2006, and the abbreviated accounts are properly prepared in accordance with that provision.



**Tobias Stephenson** (Senior statutory auditor)  
for and on behalf of PKF (UK) LLP, Statutory auditor  
Birmingham, UK

2 March 2011

**BAC CORROSION CONTROL LIMITED**  
**REGISTERED NUMBER: 1394643**

**ABBREVIATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2010**

	Note	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Intangible fixed assets	2		96,267		-
Tangible fixed assets	3		261,805		280,833
Fixed asset investments	4		205,455		-
			563,527		280,833
<b>CURRENT ASSETS</b>					
Stocks		484,847		692,632	
Debtors		974,641		1,073,582	
Cash at bank		540,771		465,599	
		2,000,259		2,231,813	
<b>CREDITORS:</b> amounts falling due within one year			(1,094,137)	(785,505)	
<b>NET CURRENT ASSETS</b>			906,122		1,446,308
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,469,649		1,727,141
<b>CAPITAL AND RESERVES</b>					
Called up share capital	5		1,000,000		1,000,000
Profit and loss account			469,649		727,141
<b>SHAREHOLDERS' FUNDS</b>			1,469,649		1,727,141

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 were approved and authorised for issue by the board and were signed on its behalf on *25 February 2011*

  
**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 2010

### 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 April 2008).

#### 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 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

#### 1.4 Intangible fixed assets and amortisation

Intangible assets, purchased as part of the acquisition of a business, are capitalised at the fair value of the consideration paid. Intangible assets are amortised to the profit and loss account over their estimated economic lives of 5 years.

#### 1.5 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
Office equipment	-	10%	straight line
Computer equipment	-	33%	straight line

#### 1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

#### 1.7 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 includes all direct costs and an appropriate proportion of fixed and variable overheads. Net realisable value is based on estimated sales value less costs to completion.

## BAC CORROSION CONTROL LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010

#### 1. ACCOUNTING POLICIES (continued)

##### 1.8 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.

##### 1.9 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.

##### 1.10 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. INTANGIBLE FIXED ASSETS

	£
<b>Cost</b>	
Additions	97,510
At 31 December 2010	<u>97,510</u>
<b>Amortisation</b>	
Charge for the year	1,243
At 31 December 2010	<u>1,243</u>
<b>Net book value</b>	
At 31 December 2010	<u><u>96,267</u></u>

**BAC CORROSION CONTROL LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**3. TANGIBLE FIXED ASSETS**

	<b>£</b>
<b>Cost</b>	
At 1 January 2010	675,186
Additions	38,513
Disposals	(3,300)
	710,399
At 31 December 2010	710,399
<b>Depreciation</b>	
At 1 January 2010	394,353
Charge for the year	57,541
On disposals	(3,300)
	448,594
At 31 December 2010	448,594
<b>Net book value</b>	
At 31 December 2010	261,805
At 31 December 2009	280,833

**4. FIXED ASSET INVESTMENTS**

	<b>£</b>
<b>Cost or valuation</b>	
Additions	205,455
	205,455
At 31 December 2010	205,455

The company has transferred funds to a deposit account in the name of BAC Arabic Corrosion Control Company, a future subsidiary company in the process of being incorporated in Saudi Arabia as at the year end. The funds deposited will be converted to shares as part of the incorporation process.

**5. SHARE CAPITAL**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000

**6. ULTIMATE PARENT UNDERTAKING**

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