

Registered number: 01394643

**BAC CORROSION CONTROL LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**BAC CORROSION CONTROL LIMITED**

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**BAC CORROSION CONTROL LIMITED**  
**REGISTERED NUMBER: 01394643**

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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

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	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	4	68,693	16,578
Tangible assets	5	208,356	160,288
Investments	6	178,362	178,362
		<u>455,411</u>	<u>355,228</u>
<b>Current assets</b>			
Stocks		898,015	1,080,628
Debtors: amounts falling due within one year	7	1,692,093	667,255
Cash at bank and in hand		770,800	1,431,734
		<u>3,360,908</u>	<u>3,179,617</u>
Creditors: amounts falling due within one year	8	(1,451,364)	(1,251,023)
<b>Net current assets</b>		<u>1,909,544</u>	<u>1,928,594</u>
<b>Net assets</b>		<u>2,364,955</u>	<u>2,283,822</u>
<b>Capital and reserves</b>			
Called up share capital		1,000,000	1,000,000
Profit and loss account		1,364,955	1,283,822
		<u>2,364,955</u>	<u>2,283,822</u>


The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

  
03/04/2018  
**T R Martensson**  
Director

  
**S F Goring**  
Director

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## **BAC CORROSION CONTROL LIMITED**

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

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#### **1. General information**

BAC Corrosion Control Limited is a company limited by shares incorporated and domiciled in the England. The address of the registered office and principal place of business is Stafford Park 11, Telford, TF3 3AY.

#### **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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group,

The following principal accounting policies have been applied:

##### **2.2 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Other than in respect of long term contracts turnover is recognised on completion of work contracted. Where contracts are considered to be long term, turnover includes the value of the work carried out in the year.

Long term contracts are assessed on a contract by contract basis, and where considered material to the financial statements, are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

##### **2.3 Valuation of Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

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**BAC CORROSION CONTROL LIMITED**

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

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**2. Accounting policies (continued)****2.4 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Intellectual property is stated at cost less accumulated depreciation. Historical cost represents the cost paid to acquire the intellectual property. It is amortised to profit and loss over its estimated economic life.

Development costs are charged to profit and loss in the year of expenditure, unless individual projects satisfy all of the following criteria:

- the project is clearly define and related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs are expected to be exceeded by future sales; and
- adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward and amortised over a period not exceeding five years commencing in the year the company starts to benefit from the expenditure.

**2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

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**BAC CORROSION CONTROL LIMITED**

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

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**2. Accounting policies (continued)****2.6 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

**2.7 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.8 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

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**2. Accounting policies (continued)**

**2.9 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**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 the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**2.11 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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**BAC CORROSION CONTROL LIMITED**

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

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**2. Accounting policies (continued)**

**2.12 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.



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**BAC CORROSION CONTROL LIMITED**

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

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**3. Employees**

The average monthly number of employees, including directors, during the year was 35 (2016 - 31).

**4. Intangible assets**

	Intellectual property £	Develop- ment £	Total £
<b>Cost</b>			
At 1 January 2017	97,510	16,578	114,088
Additions - internal	-	55,408	55,408
At 31 December 2017	<u>97,510</u>	<u>71,986</u>	<u>169,496</u>
<b>Amortisation</b>			
At 1 January 2017	97,510	-	97,510
Charge for the year	-	3,293	3,293
At 31 December 2017	<u>97,510</u>	<u>3,293</u>	<u>100,803</u>
<b>Net book value</b>			
At 31 December 2017	<u>-</u>	<u>68,693</u>	<u>68,693</u>

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**BAC CORROSION CONTROL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**5. Tangible fixed assets**

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
<b>Cost</b>					
At 1 January 2017	124,095	515,277	48,974	218,800	907,146
Additions	-	52,955	40,315	6,345	99,615
Disposals	-	-	(24,250)	-	(24,250)
At 31 December 2017	<u>124,095</u>	<u>568,232</u>	<u>65,039</u>	<u>225,145</u>	<u>982,511</u>
<b>Depreciation</b>					
At 1 January 2017	123,995	386,538	37,662	198,663	746,858
Charge for the year on owned assets	100	35,215	4,883	11,349	51,547
Disposals	-	-	(24,250)	-	(24,250)
At 31 December 2017	<u>124,095</u>	<u>421,753</u>	<u>18,295</u>	<u>210,012</u>	<u>774,155</u>
<b>Net book value</b>					
At 31 December 2017	<u>-</u>	<u>146,479</u>	<u>46,744</u>	<u>15,133</u>	<u>208,356</u>
At 31 December 2016	<u>100</u>	<u>128,739</u>	<u>11,312</u>	<u>20,137</u>	<u>160,288</u>

**6. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2017	<u>897,521</u>
<b>Impairment</b>	
At 1 January 2017	<u>719,159</u>
<b>Net book value</b>	
At 31 December 2017	<u><u>178,362</u></u>

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**BAC CORROSION CONTROL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Fixed asset investments (continued)**

The following were subsidiary undertakings of the Company:

**Subsidiary undertakings**

<b>Name</b>	<b>Country of incorporation</b>	<b>Principal activity</b>
BAC Corrosion Control Arabia Limited		Corrosion Control
Rose Corrosion Services Ltd.		Corrosion Control

<b>Name</b>	<b>Registered office</b>
BAC Corrosion Control Arabia Limited	Saudi Arabia
Rose Corrosion Services Ltd.	United Kingdom

**7. Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>1,332,687</b>	<b>531,474</b>
Amounts owed by group undertakings	<b>832</b>	<b>500</b>
Other debtors	<b>49,463</b>	<b>56,131</b>
Prepayments and accrued income	<b>279,559</b>	<b>45,835</b>
Deferred taxation	<b>29,552</b>	<b>33,315</b>
	<b>1,692,093</b>	<b>667,255</b>

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**BAC CORROSION CONTROL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Creditors: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	992,151	857,402
Amounts owed to group undertakings	179,576	182,712
Corporation tax	-	50,917
Other creditors	43,719	20,958
Accruals and deferred income	235,918	139,034
	<u>1,451,364</u>	<u>1,251,023</u>

**9. Contingent liabilities**

The company has contingent liabilities in respect of performance and tender guarantees totalling £212,547 (2016: £208,000).

**10. Commitments under operating leases**

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	65,715	61,560
Later than 1 year and not later than 5 years	176,867	185,940
Later than 5 years	-	30,000
	<u>242,582</u>	<u>277,500</u>

**11. Related party transactions**

The company is a wholly owned subsidiary within the group headed by Midroc Europe AB and has taken advantage of the exemption conferred by FRS 102 'Related Party Disclosures' not to disclose transactions with Midroc Europe AB or other wholly owned subsidiaries within the group.

**12. Ultimate parent company**

The company is controlled by Midroc Contracting AB.

The parent undertaking of the largest and smallest groups for which consolidated accounts are prepared is Midroc Europe AB, a company incorporated in Sweden. Consolidated accounts are available from PO Box 3002, SE - 169 03 SOLNA, Sweden. In the opinion of the directors, this is the company's ultimate parent company.

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**BAC CORROSION CONTROL LIMITED**

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

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**13. Auditor's information**

The auditor's report on the financial statements for the year ended 31 December 2017 was unqualified.

The audit report was signed on 03/04/2018  
Stephenson (Senior statutory auditor) on behalf of MHA MacIntyre Hudson.

by Tobias

