

BODYCOTE SPRINGWOOD LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

TUESDAY



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COMPANIES HOUSE

BODYCOTE SPRINGWOOD LIMITED

Directors	D F Landless M Harkcom
Secretary	U Ball
Company number	06676517
Registered office	Springwood Court Springwood Close Tytherington Business Park Macclesfield Cheshire SK10 2XF
Auditors	Deloitte LLP Chartered Accountants and Statutory Auditor Manchester United Kingdom

BODYCOTE SPRINGWOOD LIMITED

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BODYCOTE SPRINGWOOD LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and financial statements for the year ended 31 December 2010

Principal activities

The principal activity of the company continues to be that of a finance company

Directors

The following directors have held office since 1 January 2010

D F Landless

M Harkcom

Auditors

The company has elected to dispense with the obligation to appoint auditors annually and, accordingly Deloitte LLP shall be deemed to be reappointed as auditors for a further term under the provisions of section 489 of the Companies Act 2006

Statement of directors' responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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, and
- 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

BODYCOTE SPRINGWOOD LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Going concern

The company is a subsidiary of Bodycote plc, which manages its working capital on a pooled basis across the Group. Based on the strong trading relationship between this company and Bodycote plc, the directors believe that the company will continue to provide financial and management services to the Group. The receivables with other group companies are significant and the directors consider there to be no issues with the recoverability of these balances due to the relationship with the parent company and the following going concern disclosure which appears in the accounts of Bodycote plc for the year ended 31 December 2010:

"The Group meets its working capital requirements through a combination of committed and uncommitted facilities and overdrafts. The overdrafts and uncommitted facilities are repayable on demand but the committed facilities are due for renewal as shown below. There is significant headroom in the committed facility covenants to assume that these facilities can be operated as contracted for the foreseeable future."

- US\$20m Revolving Credit Facility maturing 31 March 2013
- £110m Revolving Credit Facility maturing 31 March 2013
- €125m Revolving Credit Facility maturing 31 July 2013

The Group's forecasts and projections, taking account of reasonable potential changes in trading performance, show that the Group should be able to operate within the level of its current committed facilities."

On the above basis, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for this reason they continue to adopt the going concern basis in preparing the accounts.

Change of accounting reference date

In the prior year, the Company changed its accounting reference date from 31 March 2009 to 31 December 2009. Accordingly, the comparative period represents the nine month period from 1 April 2009 to 31 December 2009.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board

U Ball
Secretary
20 June 2011



BODYCOTE SPRINGWOOD LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BODYCOTE SPRINGWOOD LIMITED

We have audited the financial statements of Bodycote Springwood Limited for the year ended 31 December 2010, which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit 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.

BODYCOTE SPRINGWOOD LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BODYCOTE SPRINGWOOD LIMITED

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



William Smith (Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Manchester

United Kingdom

20 June 2011

BODYCOTE SPRINGWOOD LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010

		2010	Period from
	Notes	€	1 April 2009
			to 31 December
			2009
			€
Operating profit		-	-
Interest receivable and similar income	2	398,404	175,169
Profit on ordinary activities before taxation	3	398,404	175,169
Tax on profit on ordinary activities	4	(105,852)	(55,032)
Profit for the year/period	8	292,552	120,137

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses in either period, other than those passing through the profit and loss account and accordingly no statement of total recognised gains and losses has been presented

BODYCOTE SPRINGWOOD LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	2010 €	€	2009 €	€
Current assets					
Debtors amounts falling due within one year	5	99,687		43,071	
Debtors amounts falling due after more than one year	5	26,132,918		25,848,527	
Cash at bank and in hand		649		21,867	
		<u>26,233,254</u>		<u>25,913,465</u>	
Creditors: amounts falling due within one year	6	<u>(216,812)</u>		<u>(189,575)</u>	
Total assets less current liabilities		<u>26,016,442</u>		<u>25,723,890</u>	
Capital and reserves					
Called-up share capital	7	25,236,408		25,236,408	
Profit and loss account	8	780,034		487,482	
Shareholder's funds	9	<u>26,016,442</u>		<u>25,723,890</u>	

Approved by the Board and authorised for issue on 20 June 2011


D F Landless
Director

Company Registration No. 06676517

BODYCOTE SPRINGWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

As the Euro and currencies closely linked to it form the main currency in which the company's business is transacted, the company reports its results in Euros (€)

After making enquiries, and based on the assumptions outlined in the Directors' Report on pages 1 - 2, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for this reason they continue to adopt the going concern basis in preparing the accounts

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

1.4 Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All exchange differences are included in the profit and loss account

1.5 Interest receivable

Interest receivable is recorded as non-operating interest receivable

2 Interest receivable and similar income

	2010	Period from 1 April 2009 to 31 December 2009
	€	€
Bank interest payable	(47)	(71)
Intra-group interest receivable	398,451	175,240
	<u>398,404</u>	<u>175,169</u>

BODYCOTE SPRINGWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

3 Profit on ordinary activities before tax

The auditors' remuneration for audit work of £2,000 (2009 £2,000) was borne by a fellow group undertaking. Fees paid to the Company's auditors, Deloitte LLP, for services other than the statutory audit are not disclosed in the financial statements of the company, as the financial statements of the company's parent, Bodycote plc, are required to disclose non-audit fees on a consolidated basis.

The directors were the only employees of the company and they received no remuneration during the year (2009 Nil).

4 Tax on profit on ordinary activities

	2010 €	Period from 1 April 2009 to 31 December 2009 €
Domestic current year tax		
UK corporation tax	111,553	49,047
Adjustment for prior years	(5,701)	5,985
Total current tax	<u>105,852</u>	<u>55,032</u>
Factors affecting the tax charge for the year/period		
Profit on ordinary activities before taxation	<u>398,404</u>	<u>175,169</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2009 28%)	111,553	49,047
Effects of Adjustments to previous periods	(5,701)	5,985
Current tax charge for the year/period	<u>105,852</u>	<u>55,032</u>

The tax charge in future periods will be affected by the announcement on 23 March 2011 that the corporation tax main rate would be reduced by another 1% below the expected reduced rate of 27% to 26% from 1 April 2011. This will be reduced by 1% annually until 1 April 2014 when the rate will be 23%.

5 Debtors

	2010 €	2009 €
Amounts owed by parent and fellow subsidiary undertakings	<u>26,232,605</u>	<u>25,891,598</u>
Amounts falling due after more than one year and included in the debtors above are		
	2010 €	2009 €
Amounts owed by group undertakings	<u>26,132,918</u>	<u>25,848,527</u>

BODYCOTE SPRINGWOOD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

6	Creditors, amounts falling due within one year	2010	2009
		€	€
	Corporation tax	216,812	189,575

7	Called-up share capital	2010	2009
		€	€
	Allotted, called-up and fully paid		
	20,370,012 ordinary shares of £1 each	25,236,408	25,236,408

8	Statement of movements on profit and loss account	Profit and loss account
		€
	Balance at 1 January 2010	487,482
	Profit for the year	292,552
	Balance at 31 December 2010	780,034

9	Reconciliation of movements in shareholder's funds	Period from 1 April 2009 to 31 December 2009
		2010
		€
	Profit for the financial year/period	292,552
	Opening shareholder's funds	25,723,890
	Closing shareholder's funds	26,016,442

10 Related party relationships and transactions

As the company is a wholly owned subsidiary of the group headed by Bodycote PLC, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 'Related party transactions' not to disclose transactions or balances with other wholly owned subsidiaries which form part of the group

11 Control

The directors regard Bodycote plc, a company incorporated in England and Wales, as the ultimate controlling party

Bodycote plc is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from The Secretary, Bodycote plc, Springwood Court, Springwood Close, Tytherington Business Park, Macclesfield, Cheshire, SK10 2XF