

Registration number: 00198474

# Bridon Limited

Annual Report and Financial Statements  
for the Year Ended 31 December 2018

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## **Bridon Limited**

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## **Bridon Limited**

### **Company Information**

<b>Directors</b>	C M Griffin G Cook C Vandekerckhove
<b>Registered office</b>	Icon Building Balby Carr Bank Doncaster South Yorkshire DN4 5JQ
<b>Independent auditor</b>	Deloitte LLP Statutory Auditor One Trinity Gardens Broad Chare Newcastle upon Tyne NE1 2HF

## **Bridon Limited**

### **Strategic Report for the Year Ended 31 December 2018**

The directors present their strategic report for the year ended 31 December 2018.

#### **Principal activity**

The principal activity of the company is that of an investment holding company.

#### **Fair review of the business**

The Company is a member of The Bridon-Bekaert Ropes Group ("BBRG" or "the Group"). 2018 has been a difficult year for BBRG. Expected growth in the oil and gas sector has been slower than anticipated and BBRG continues to have a high level of fixed overhead. The Directors have performed a comprehensive review of the BBRG's performance. With a focus on new emerging sectors, overhead reduction and efficiency improvements, the Directors have developed a 3-year plan for 2019-2022 which shows gradual improvement in profit and cash generation. This 3-year plan will create the platform upon which BBRG will be able to continue to grow in the future.

On 25 April 2018 NV Bekaert SA ("Bekaert") announced that an agreement in principle had been reached for the acquisition by Bekaert of Ontario Teachers' Pension Plan 33% equity share in BBRG. This was subsequently completed on 24 October 2018. Taking full ownership of BBRG fits within the ambitions and strategy of Bekaert to grow a global ropes and advanced cords business that will create significant value over time for customers worldwide and for the Bekaert Group.

The loss for the year was €266k (2017: loss of €60,406k) and the net assets as at 31 December 2018 are €37,989k (2017: net assets of €38,266k).

#### **Principal risks and uncertainties**

The company's activities expose it to a number of financial risks including external market risk, credit risk and liquidity risk.

##### **External market risk**

On 23 June 2016, the UK voted in a referendum to leave the European Union (EU). On 29 March 2017, the UK Government triggered Article 50 and commenced negotiations, expected to last no longer than two years, regarding the UK's exit from the EU. The implications of this remain unclear, however market volatility and uncertainty are expected in the short term.

As the company's turnover is generated globally, the directors believe that the impact will not be significant in the short term. The directors will put in place plans to reduce or mitigate the risks once the results of the negotiation between the UK and the EU have become clear.

##### **Credit risk**

The company's principal financial assets are trade and other receivables owed by group undertakings, as such no credit risk is perceived.

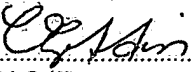
##### **Liquidity risk**

In order to maintain liquidity and to ensure that sufficient funds are available for ongoing operations and future developments, the company ensures regular communication with other subsidiary companies to optimise cash flows.

Approved by the Board on *17/01/20* and signed on its behalf by:

**Bridon Limited**

**Strategic Report for the Year Ended 31 December 2018 (continued)**

  
.....  
C M Griffin  
Director

## **Bridon Limited**

### **Directors' Report for the Year Ended 31 December 2018**

The directors present their annual report and the audited financial statements for the year ended 31 December 2018.

#### **Directors' of the company**

The directors, who held office during the year, were as follows:

C M Griffin (appointed 23 February 2018)

B J M Humblet (resigned 29 March 2018)

R Nalli (resigned 6 July 2018)

L Vankemmelbeke (appointed 6 July 2018 and resigned 1 April 2019)

The following directors were appointed after the year end:

B W Simpson (appointed 1 April 2019 and resigned 30 July 2019)

G Cook (appointed 1 April 2019)

C Vandekerckhove (appointed 20 September 2019)

#### **Results & dividends**

Results and dividends are discussed in the Strategic Report.

#### **Financial risk management objectives and policies**

Financial risk management objectives and policies are discussed in the Strategic Report.

#### **Employment of disabled persons**

Full and fair consideration to applications made by disabled persons for job vacancies, where particular job requirements are within their ability. Should an employee become disabled, the company will endeavour to employ them provided there are duties they can perform, bearing in mind their handicap or disability. It is group policy that the training, career development and promotion of disabled persons should, as far as possible, be the same as that of other employees.

#### **Employee involvement**

The company has developed a wide range of voluntary practices and procedures for employee involvement and regularly consults them or their representatives for views on matters affecting them. The company encourages this approach to provide information and consultation and believes this promotes understanding of the issues facing and the economic factors affecting the performance of the individual business in which the employee works.

It is company policy to achieve and maintain a high standard of health and safety by all practical means and the active involvement of employees in matters of health and safety is encouraged.

#### **Future developments**

There are no major future developments in the pipeline as the company is a holding company with the only transactions being that from/to intra group companies.

#### **Research and development**

The company does not carry out any research and development activities, all such activity is carried out by Bridon International Limited, a subsidiary undertaking, through its dedicated 'Bridon Technical Centre' (BTC). Details are provided in that company's financial statements.

## **Bridon Limited**

### **Directors' Report for the Year Ended 31 December 2018 (continued)**

#### **Going concern**

In 2018, Bekaert completed the acquisition of the 33% equity share from Ontario Teachers in Bridon-Bekaert Ropes Group. As a result, Bekaert restructured and refinanced the debt held by Bridon Bekaert Ropes Group - including the repayment of the debt to BBRG's lenders syndicate.

The directors have implemented a strategy to improve the performance of the business and have prepared forecasts for the next 12 months based upon this. Taking into account the forecast trading, available facilities and relevant uncertainties in the outturn the directors believe that the group's cash generating capacity is sufficient to service the debt and leave the group well placed to manage its business risks despite the current trading difficulties in certain markets. The directors have considered the going concern assumption given the current uncertain economic climate and have reviewed the forecasts of the group for the foreseeable future.

In addition, Bekaert and BBRG have exchanged debt for equity in Q3 and Q4 2019 and are planning to do so in the first half of 2020 for one loan which matures in October 2020. In case the debt equity swap will not go ahead as envisaged, Bekaert confirmed the extension of the impacted loan to 2022. Bekaert has also provided a letter of comfort to provide the the UK companies in the BBRG group with adequate financial support to ensure its business continuity.

After making enquiries and considering the above facts the group seeks to ensure that all its individual component companies are adequately funded; the directors have a reasonable expectation that this company and the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements.

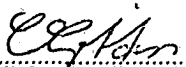
#### **Directors' liabilities**

The ultimate parent undertaking has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force throughout the period and at the date of this report.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 17/01/20 and signed on its behalf by:

  
.....  
C M Griffin  
Director

## **Bridon Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; 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.



## **Bridon Limited**

### **Independent Auditor's Report to the Members of Bridon Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Bridon Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

##### **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 auditor's 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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

##### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Bridon Limited**

### **Independent Auditor's Report to the Members of Bridon Limited (continued)**

#### **Other information (continued)**

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

#### **Statement of Director's Responsibilities**

As explained more fully in the Statement of Director's Responsibilities, 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 is 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.

#### **Auditor's 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 an auditor's report 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Report on other legal and regulatory requirements**

##### **Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

## **Bridon Limited**

### **Independent Auditor's Report to the Members of Bridon Limited (continued)**

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

#### **Use of our report**

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.



David Johnson B.A, F.C.A (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP, Statutory Auditor

One Trinity Gardens  
Broad Chare  
Newcastle upon Tyne  
NE1 2HF

Date: 17 January 2020

# **Bridon Limited**

## **Statement of Comprehensive Income for the Year Ended 31 December 2018**

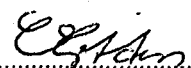
		<b>(As restated)</b>	
	<b>Note</b>	<b>2018 £ 000</b>	<b>2017 £ 000</b>
Administrative income/(expenses)		333	(14)
Impairment of investments	11	-	(60,460)
Impairment of intercompany debtors		<u>(604)</u>	<u>-</u>
Operating loss		(271)	(60,474)
Interest receivable and similar income	4	44	50
Interest payable and similar charges	5	<u>-</u>	<u>(21)</u>
Loss before tax		(227)	(60,445)
Tax on loss	9	<u>(39)</u>	<u>39</u>
Loss and total comprehensive expense		<u><u>(266)</u></u>	<u><u>(60,406)</u></u>

# Bridon Limited

(Registration number: 00198474)  
Balance Sheet as at 31 December 2018

		(As restated)	
	Note	2018 £ 000	2017 £ 000
<b>Fixed assets</b>			
Tangible assets	10	64	64
Investments	11	37,884	37,884
		<u>37,948</u>	<u>37,948</u>
<b>Current assets</b>			
Debtors	12	9,738	10,370
Cash at bank and in hand		3	-
		<u>9,741</u>	<u>10,370</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(9,700)</u>	<u>(9,822)</u>
<b>Net current assets</b>		<u>41</u>	<u>548</u>
<b>Total assets less current liabilities</b>		37,989	38,496
<b>Provisions for liabilities</b>	14	-	(230)
<b>Net assets</b>		<u>37,989</u>	<u>38,266</u>
<b>Capital and reserves</b>			
Called up share capital	15	16,319	16,319
Profit and loss account		<u>21,670</u>	<u>21,947</u>
<b>Shareholders' funds</b>		<u>37,989</u>	<u>38,266</u>

These financial statements were approved and authorised for issue by the Board on 17 January 2020 and signed on its behalf by:

  
.....  
C M Griffin  
Director

**Bridon Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2018**

	<b>Share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 January 2018	16,319	21,947	38,266
Loss for the year	-	(266)	(266)
Total comprehensive expense	-	(266)	(266)
Dividends	-	(11)	(11)
At 31 December 2018	<u>16,319</u>	<u>21,670</u>	<u>37,989</u>

	<b>Share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
<b>(As restated)</b>			
At 1 January 2017	6,903	82,353	89,256
Loss for the year	-	(60,406)	(60,406)
Total comprehensive expense	-	(60,406)	(60,406)
New share capital subscribed	9,416	-	9,416
At 31 December 2017	<u>16,319</u>	<u>21,947</u>	<u>38,266</u>

The notes on pages 13 to 26 form an integral part of these financial statements.  
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## **Bridon Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **1 General information**

Bridon Limited (the "company") is a private company, limited by shares, incorporated under the Companies Act 2006 and domiciled in England and Wales. The registered office of the company is Icon Building First Point, Balby Carr Bank, Doncaster, South Yorkshire, DN4 5JQ.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework and the Companies Act 2006. The financial statements are presented in the company's functional currency Sterling and all values are rounded to the nearest thousand pounds (£ 000) except when otherwise indicated.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

##### **Financial Reporting Standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j), to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1, paragraph 73(e) of IAS 16 Property, Plant and Equipment and paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

## **Bridon Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

#### **2 Accounting policies (continued)**

##### **Going concern**

After making suitable enquires, the directors have a reasonable expectation that the company and the Bridon-Bekaert Ropes Group, of which the company is a member, have adequate internal and external funding to continue in operational existence for the foreseeable future. Consequently, they continue to adopt the going concern basis in preparing these financial statements

##### **Exemption from preparing group financial statements**

The financial statements contain information about Bridon Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, NV Bekaert SA, a company incorporated in Belgium.

##### **Changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 1 January 2018 have had a material effect on the financial statements.



## **Bridon Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

#### **2 Accounting policies (continued)**

##### **IFRS 9 Financial Instruments**

In the current year, the company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives.

IFRS 9 introduced new requirements for impairment of financial assets.

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on:

- (1) Debt investments measured subsequently at amortised cost or at FVTOCI;
- (2) Lease receivables;
- (3) Trade receivables and contract assets; and
- (4) Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

In particular, IFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

## Bridon Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

#### 2 Accounting policies (continued)

##### Prior period adjustments

In 2016, an intercompany loan of £9.7m due from Bridon Holdings Limited was received from Bridon-Bekaert Ropes Group Ltd in return for an intercompany creditor to that entity. The accounting entries for these transactions were omitted from the accounting records, and the comparative balance sheet has therefore been restated. The effect of the restatement is as follows:

	Relating to the current period disclosed in these financial statements	Relating to the prior period disclosed in these financial statements	Relating to previous periods
Debtors			
Amounts due from group undertakings	-	-	9,700
Creditors: Amounts falling due within one year			
Amounts due to group undertakings	-	-	9,700

##### Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency (GBP) using the spot exchange rates at the date of the transactions.

As 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 the fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

##### Tax

Tax is recognised in the Statement of Comprehensive Income, 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 balance sheet date in the countries where the company operates and generates income.

## **Bridon Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

#### **2 Accounting policies (continued)**

##### **Tangible assets**

Freehold land is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of freehold land includes directly attributable incremental costs incurred in their acquisition and installation.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

##### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold land	Not depreciated

##### **Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in associates are initially measured at cost and subsequently adjusted to reflect the company's share of profit.

##### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### **Provisions**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

## **Bridon Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

#### **2 Accounting policies (continued)**

##### **Financial Instruments**

The company recognised financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial Instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

##### **Financial assets**

The company classifies all of its financial assets as loans and receivables.

##### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers, but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

##### **Financial liabilities**

The company classifies all of its financial liabilities at amortised cost.

##### **At amortised cost**

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

## **Bridon Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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.

The directors conclude there are no critical judgements or key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

#### **4 Other interest receivable and similar income**

	<b>2018</b>	<b>2017</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest receivable from group undertakings	22	50
Foreign currency translation gains	22	-
	<u>44</u>	<u>50</u>

#### **5 Interest payable and similar charges**

	<b>2018</b>	<b>2017</b>
	<b>£ 000</b>	<b>£ 000</b>
Foreign currency translation losses	-	21

#### **6 Employees**

The Company has no employees other than the Directors, who did not receive any remuneration.

#### **7 Directors' remuneration**

The Directors received no remuneration for qualifying services as Directors of this Company. All Directors' remuneration is paid by other group companies for services to the group as a whole.

#### **8 Auditors' remuneration**

Auditors' remuneration of £3,000 (2017: £3,000) was incurred by fellow group undertakings that pay all auditors' remuneration on behalf of the Company.

## Bridon Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

#### 9 Income tax

Tax result in the profit and loss account

	2018 £ 000	2017 £ 000
<b>Current taxation</b>		
UK corporation tax		-
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	(39)	39
Tax (expense)/receipt in the profit and loss account	(39)	39

The tax on loss for the year is higher than the standard rate of corporation tax in the UK (2017 - higher than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
Loss before tax	(227)	(60,445)
Corporation tax at standard rate	(43)	(11,636)
Non taxable income	(63)	-
Group relief claimed	(9)	(7)
Release of deferred tax provision	(39)	-
Non deductible impairments	115	11,682
Total tax result	(39)	39

The standard rate of tax applied to reported loss is 19.00% (2017: 19.25%). A reduction in the UK corporation tax rate from 19% to 17% will be effective from 1 April 2020 and therefore applicable for future years following the substantive enactment of the Finance Act 2019 on 12 February 2019. Accordingly these rates have been applied when calculating deferred tax assets and liabilities as at 31 December 2018.

# **Bridon Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)**

### **10 Tangible assets**

	<b>Freehold land £ 000</b>
<b>Cost or valuation</b>	
At 1 January 2018	<u>64</u>
At 31 December 2018	<u>64</u>
<b>Carrying amount</b>	
At 31 December 2018	<u>64</u>
At 31 December 2017	<u>64</u>

### **11 Investments**

	<b>(As restated) £ 000</b>
<b>Subsidiaries</b>	
<b>Cost or valuation</b>	
At 1 January 2018	<u>184,820</u>
At 31 December 2018	<u>184,820</u>
<b>Provision</b>	
At 1 January 2018	<u>146,936</u>
At 31 December 2018	<u>146,936</u>
<b>Carrying amount</b>	
At 31 December 2018	<u>37,884</u>
At 31 December 2017	<u>37,884</u>

## Bridon Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

#### 11 Investments (continued)

##### Direct subsidiary undertakings

The following subsidiaries have two classes of ordinary shares:

Entity	Country of Incorporation	Holding A	Holding B	Principal activity	Registered office
Bridon Holdings Limited	United Kingdom	100%	90%	Holding company	Icon Building, Balby Carr Bank, DN4 5JQ
Bridon International Ltd	United Kingdom	100%	90%	Engineering company	Icon Building, Balby Carr Bank, DN4 5JQ
Bridon International GmbH	Germany	100%	30%	Engineering company	Magdeburger Strasse 14a, Gelsenkirchen, D-45881

The rights attached to each class of shares are as follows:

Each A ordinary share entitles the holder to one vote on all matters to be voted on by the shareholders of the company except with respect to the election, appointment or removal of directors, which are rights exclusively attached to the B ordinary shares. The holders of A ordinary shares are entitled to dividends or distributions as determined by the board of directors. In the event of a liquidation, dissolution or winding up of the company the holders of the A ordinary shares are entitled to participate in any distributions, on a pro-rata basis, once the holders of the B ordinary shares have been repaid.

The B ordinary shares do not confer any voting rights on matters to be voted on by the shareholders of the company except with respect to the election, appointment or removal of directors. The holders of B ordinary shares are entitled to such dividends or distributions as determined by the board of directors. In the event of liquidation, dissolution or winding up of the company the amount received by B shareholders will be restricted to their nominal value.

The following subsidiaries have just a single class of ordinary share

Entity	Country of Incorporation	Holding	Principal activity	Registered office
British Ropes Limited	United Kingdom	100%	Dormant company	Ground Floor, Icon Building, Balby Carr Bank, DN4 5JQ



## Bridon Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

#### 11 Investments (continued)

The following indirect subsidiaries have just a single class of ordinary share

Entity	Country of Incorporation	Holding	Principal activity	Registered office
Bridon (South East Asia) Ltd	Hong Kong	100%	Engineering company	36/F Tower Two, Times Square, 1 Matheson Street Causeway Bay
Bridon-American Corporation	USA	100%	Engineering company	C280 New Commerce Boulevard, PA 18706
Bridon Hong Kong Limited	Hong Kong	100%	Engineering company	Unit B G/F Roxy Industrial Centre, 58-66 Tai Lin Pai Road, Northern Territory
Bridon Scanrope AS	Norway	100%	Engineering company	Rambergvein 1, 3115 TONSBERG
Bridon Scheme Trustees Limited	United Kingdom	100%	Dormant company	Ground Floor, Icon Building, Balby Carr Bank, DN4 5JQ
Bridon Singapore (Pte) Ltd	Singapore	100%	Engineering company	Loyang Offshore Supply Base, Blk 104C, 27D
Bridon Coatbridge Limited	United Kingdom	100%	Dormant company	Ground Floor, Icon Building, Balby Carr Bank, DN4 5JQ
N.V. Bridon Ropes S.A.	Belgium	100%	Engineering company	22 Rue Des Ateliers, Gilly, 6060
Bridon (Hangzhou) Ropes Co. Ltd	China	100%	Engineering company	No 57 Yonghua Street, Hangzhou, 310022

**Bridon Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2018  
(continued)**

**11 Investments (continued)**

Bridon New Zealand Ltd	New Zealand	100%	Engineering company	6-10 Greenmount Drive, East Tamaki, Auckland 2013
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# Bridon Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

### 11 Investments (continued)

#### Indirect associate undertaking

The following associate has a single class of ordinary share:

Entity	Country of Incorporation	Holding	Principal activity	Registered office
Wire Rope Corporation of the Philippines	Philippines	24%	Engineering company	596 San Francisco Street, Malinta, 1440

### 12 Debtors

(As restated)

	2018 £ 000	2017 £ 000
Amounts due from group undertakings	<u>9,738</u>	<u>10,370</u>

Group balances are unsecured and repayable on demand.

### 13 Creditors: Amounts falling due within one year

(As restated)

	2018 £ 000	2017 £ 000
Amounts due to group undertakings	<u>9,700</u>	<u>9,822</u>

Group balances are unsecured and repayable on demand.

### 14 Other provisions

	Onerous contracts £ 000	Dilapidations provision £ 000	Total £ 000
At 1 January 2018	102	128	230
Released to Statement of Comprehensive Income during year	<u>(102)</u>	<u>(128)</u>	<u>(230)</u>
At 31 December 2018	<u>-</u>	<u>-</u>	<u>-</u>

## Bridon Limited

### Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

#### 15 Share capital

##### Shares classified as equity

	2018	2017
	£	£
<b>Allotted, called up and fully paid</b>		
65,276,304 A Ordinary shares of £0.25 each	16,319,076	16,319,076
100 B Ordinary shares of £0.25 each	25	25
	<u>16,319,101</u>	<u>16,319,101</u>

##### Rights, preferences and restrictions

A Ordinary shares have the following rights, preferences and restrictions:

Each A ordinary share entitles the holder to one vote on all matters to be voted on by the shareholders of the company except with respect to the election, appointment or removal of directors, which are rights exclusively attached to the B ordinary shares. The holders of A ordinary shares are entitled to dividends or distributions as determined by the board of directors. In the event of a liquidation, dissolution or winding up of the company the holders of the A ordinary shares are entitled to participate in any distributions, on a pro-rata basis, once the holders of the B ordinary shares have been repaid.

B Ordinary shares have the following rights, preferences and restrictions:

The B ordinary shares do not confer any voting rights on matters to be voted on by the shareholders of the company except with respect to the election, appointment or removal of directors. The holders of B ordinary shares are entitled to such dividends or distributions as determined by the board of directors. In the event of liquidation, dissolution or winding up of the company the amount received by B shareholders will be restricted to their nominal value.

#### 16 Reserves

##### Profit and loss account

Includes all current and prior years' retained profits and losses.

#### 17 Parent and ultimate parent undertaking

The immediate parent undertaking of the company is Bridon-Bekaert Ropes Group Ltd, a company incorporated in England and Wales. The ultimate controlling party of the company is NV Bekaert SA, a company incorporated in Belgium, whose registered office is Bekaertstraat 2, 8550 Zwevegem, Belgium.

The smallest and largest group of which the company is a member and in to which the company's financial statements were consolidated at 31 December 2018 is NV Bekaert SA.

Copies of the consolidated financial statements referred to above which include the results of the company are available from NV Bekaert SA, Bekaertstraat 2, 8550 Zwevegem, Belgium.