

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 December 2016
for
New Conveyor Limited

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for the Year Ended 31 December 2016

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New Conveyor Limited

Company Information
for the Year Ended 31 December 2016

DIRECTORS:

Mr E W Toye
Mr I A Bytheway
Mr R P Hickman
Mr B J E Toye

REGISTERED OFFICE:

Sandy Lane
Titton
Stourport on Severn
Worcestershire
DY13 9PT

REGISTERED NUMBER:

07460028 (England and Wales)

AUDITORS:

Lewis Smith & Co.
Chartered Certified Accountants
Statutory Auditors
The Old Doctor's House
74 Grange Road
Dudley
West Midlands
DY1 2AW

BANKERS:

Barclays Bank Plc
81 High Street
Stourbridge
West Midlands
DY1 1EB

Group Strategic Report
for the Year Ended 31 December 2016

The directors present their strategic report of the company and the group for the year ended 31 December 2016.

REVIEW OF BUSINESS

The Company is a holding company and landlord of one of its subsidiaries. The principal activity of its subsidiary undertakings continues to be that of manufacturers of components and conveyor modules within the materials handling industry.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is controlled and run by its Board of Directors and the process of risk management in all areas of the business is addressed through policies and procedures agreed at Board level.

The Group has accepted the Euro for payment since the launch of the currency and the Board consider that internal policies along with the monitoring of the currency for fluctuations within an acceptable trading range means that the financial risk is being effectively controlled.

The Group insures all debt and uses a registered credit reference agency. The balance sheet is protected adequately via a commercial insurance policy which is reviewed annually and which includes cover of gross profit should there be any interruption to the business activity caused by an insured event.

Cash reserves are considered by the Directors to be sufficiently high to cover the current trading commitments and also to develop the business further, in line with the business strategy.

Price risk is controlled by the marketing policy which requires representation at relevant trade exhibitions to monitor the Group's position in the market place.

RESULTS AND PERFORMANCE

The results of the Group are set out on pages 7 and 8 and show profit on ordinary activities before tax of £3,574,747 (2015: £3,170,460). The shareholders' funds of the Group total £8,823,331 (2015: £7,577,443).

2016 saw the group enjoy it's most successful year in terms of customer numbers and average spend.

The group's performance remains and continues to be encouraging. There will be a continued focus on increasing market share for its products.

KEY PERFORMANCE INDICATORS

The Board does not measure the performance of the Group by reference to KPI's.

However return on capital employed of 40% (2015: 42%) are considered by the Directors to be satisfactory.

ON BEHALF OF THE BOARD:



Mr I A Bytheway - Director

Date: 26/09/2017

Report of the Directors
for the Year Ended 31 December 2016

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2016.

DIVIDENDS

Interim dividends totalling £907,625 were paid on Ordinary B shares and £600,000 were paid on Ordinary A shares during the year.

FUTURE DEVELOPMENTS

The group continues its close down of its subsidiaries in Hong Kong and China during 2016 and these will be formally dissolved in 2017.

The group still invest heavily into Research and Development activities and plan to continue to develop new and existing products in 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

Mr E W Toye
Mr I A Bytheway
Mr R P Hickman
Mr B J E Toye

Other changes in directors holding office are as follows:

Mr P J Roberts - resigned 15 November 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

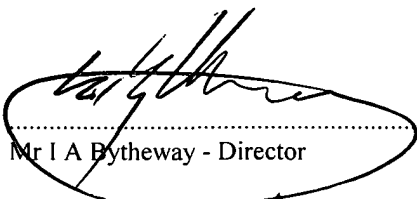
New Conveyor Limited (Registered number: 07460028)

Report of the Directors
for the Year Ended 31 December 2016

AUDITORS

The auditors, Lewis Smith & Co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'I A Bytheway', is written over a horizontal dotted line. The signature is enclosed within an oval shape.

Mr I A Bytheway - Director

Date: 26/09/2017

Report of the Independent Auditors to the Members of
New Conveyor Limited

We have audited the financial statements of New Conveyor Limited for the year ended 31 December 2016 on pages seven to thirty. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 group's and the parent 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 Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 group's and of the parent company's affairs as at 31 December 2016 and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the group and the parent company and its environment, we have not identified any material misstatements in the Group Strategic Report or the Report of the Directors.

Report of the Independent Auditors to the Members of
New Conveyor Limited

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Craig Alan Beale FCCA (Senior Statutory Auditor)
for and on behalf of Lewis Smith & Co.
Chartered Certified Accountants
Statutory Auditors
The Old Doctor's House
74 Grange Road
Dudley
West Midlands
DY1 2AW

Date: 28.09.2017

Consolidated Income Statement
for the Year Ended 31 December 2016

	Notes	31.12.16 £	£	31.12.15 £	£
TURNOVER	3		18,095,913		17,030,535
Cost of sales			10,556,450		9,881,765
GROSS PROFIT			7,539,463		7,148,770
Distribution costs		623,945		601,201	
Administrative expenses		3,101,294		3,151,623	
			3,725,239		3,752,824
			3,814,224		3,395,946
Other operating income			34,039		35,632
OPERATING PROFIT	5		3,848,263		3,431,578
Interest receivable and similar income			3,936		13,732
			3,852,199		3,445,310
Amounts written off investments	6		1,202		-
			3,850,997		3,445,310
Interest payable and similar expenses	7		276,250		274,850
PROFIT BEFORE TAXATION			3,574,747		3,170,460
Tax on profit	8		805,612		769,509
PROFIT FOR THE FINANCIAL YEAR			2,769,135		2,400,951
Profit attributable to:					
Owners of the parent			2,783,513		2,450,228
Non-controlling interests			(14,378)		(49,277)
			2,769,135		2,400,951

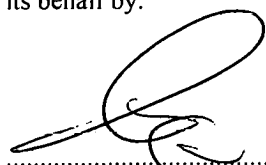
Consolidated Other Comprehensive Income
for the Year Ended 31 December 2016

	Notes	31.12.16 £	31.12.15 £
PROFIT FOR THE YEAR		2,769,135	2,400,951
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,769,135</u>	<u>2,400,951</u>
Total comprehensive income attributable to:			
Owners of the parent		2,734,289	2,351,724
Non-controlling interests		<u>34,846</u>	<u>49,227</u>
		<u>2,769,135</u>	<u>2,400,951</u>

Consolidated Balance Sheet
31 December 2016

	Notes	31.12.16 £	31.12.15 £
FIXED ASSETS			
Intangible assets	15	1,443,691	1,924,921
Tangible assets	16	2,711,061	995,962
Investments	17	6	1,208
Investment property	18	3,620,852	4,181,386
		<u>7,775,610</u>	<u>7,103,477</u>
CURRENT ASSETS			
Stocks	19	2,407,644	1,955,338
Debtors	20	3,838,427	3,811,365
Cash at bank and in hand		6,474,415	5,993,945
		<u>12,720,486</u>	<u>11,760,648</u>
CREDITORS			
Amounts falling due within one year	21	2,538,896	2,134,486
NET CURRENT ASSETS		<u>10,181,590</u>	<u>9,626,162</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,957,200</u>	<u>16,729,639</u>
CREDITORS			
Amounts falling due after more than one year	22	(8,994,000)	(8,994,000)
PROVISIONS FOR LIABILITIES	25	(105,023)	(108,969)
NET ASSETS		<u>8,858,177</u>	<u>7,626,670</u>
CAPITAL AND RESERVES			
Called up share capital	26	10,000	10,000
Retained earnings	27	8,813,331	7,567,443
SHAREHOLDERS' FUNDS		<u>8,823,331</u>	<u>7,577,443</u>
NON-CONTROLLING INTERESTS	28	<u>34,846</u>	<u>49,227</u>
TOTAL EQUITY		<u>8,858,177</u>	<u>7,626,670</u>

The financial statements were approved by the Board of Directors on 26/09/2017 and were signed on its behalf by:



Mr E W Toye - Director

The notes form part of these financial statements

Company Balance Sheet

31 December 2016

	Notes	31.12.16 £	31.12.15 £
FIXED ASSETS			
Intangible assets	15	1,443,691	1,924,921
Tangible assets	16	1,675,464	-
Investments	17	5,846,901	5,846,901
Investment property	18	3,620,852	4,181,386
		<u>12,586,908</u>	<u>11,953,208</u>
CURRENT ASSETS			
Debtors	20	6,750	9,000
Cash at bank		59,038	33,967
		<u>65,788</u>	<u>42,967</u>
CREDITORS			
Amounts falling due within one year	21	<u>3,068,703</u>	<u>1,840,790</u>
NET CURRENT LIABILITIES		<u>(3,002,915)</u>	<u>(1,797,823)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,583,993</u>	<u>10,155,385</u>
CREDITORS			
Amounts falling due after more than one year	22	(8,994,000)	(8,994,000)
PROVISIONS FOR LIABILITIES	25	<u>(199)</u>	<u>(8,848)</u>
NET ASSETS		<u><u>589,794</u></u>	<u><u>1,152,537</u></u>
CAPITAL AND RESERVES			
Called up share capital	26	10,000	10,000
Retained earnings	27	579,794	1,142,537
SHAREHOLDERS' FUNDS		<u><u>589,794</u></u>	<u><u>1,152,537</u></u>
Company's profit for the financial year		<u><u>974,882</u></u>	<u><u>944,972</u></u>

The financial statements were approved by the Board of Directors on 26/09/2017 and were signed on its behalf by:


Mr E W Toye - Director

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2016

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2015	10,000	6,624,840	6,634,840	-	6,634,840
Changes in equity					
Dividends	-	(1,507,625)	(1,507,625)	-	(1,507,625)
Total comprehensive income	-	2,450,228	2,450,228	49,227	2,499,455
Balance at 31 December 2015	10,000	7,567,443	7,577,443	49,227	7,626,670
Changes in equity					
Dividends	-	(1,537,625)	(1,537,625)	-	(1,537,625)
Total comprehensive income	-	2,783,513	2,783,513	34,846	2,818,359
Balance at 31 December 2016	10,000	8,813,331	8,823,331	84,073	8,907,404

Company Statement of Changes in Equity
for the Year Ended 31 December 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	10,000	1,705,190	1,715,190
Changes in equity			
Dividends	-	(1,507,625)	(1,507,625)
Total comprehensive income	-	944,972	944,972
Balance at 31 December 2015	<u>10,000</u>	<u>1,142,537</u>	<u>1,152,537</u>
Changes in equity			
Dividends	-	(1,537,625)	(1,537,625)
Total comprehensive income	-	974,882	974,882
Balance at 31 December 2016	<u>10,000</u>	<u>579,794</u>	<u>589,794</u>

Consolidated Cash Flow Statement
for the Year Ended 31 December 2016

	Notes	31.12.16 £	31.12.15 £
Cash flows from operating activities			
Cash generated from operations	1	4,444,611	4,564,574
Interest paid		(1,400)	-
Finance costs paid		(274,850)	(274,850)
Tax paid		(725,194)	(791,426)
Net cash from operating activities		<u>3,443,167</u>	<u>3,498,298</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(328,558)	(283,495)
Purchase of investment property		(1,094,028)	(445,526)
Sale of tangible fixed assets		28,624	60,270
Interest received		3,936	13,732
Net cash from investing activities		<u>(1,390,026)</u>	<u>(655,019)</u>
Cash flows from financing activities			
Amount introduced by directors		67,875	1,412,476
Amount withdrawn by directors		(102,921)	(1,557,525)
Equity dividends paid		(1,537,625)	(1,507,625)
Net cash from financing activities		<u>(1,572,671)</u>	<u>(1,652,674)</u>
Increase in cash and cash equivalents		<u>480,470</u>	<u>1,190,605</u>
Cash and cash equivalents at beginning of year	2	5,993,945	4,803,340
Cash and cash equivalents at end of year	2	<u><u>6,474,415</u></u>	<u><u>5,993,945</u></u>

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2016

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.16	31.12.15
	£	£
Profit before taxation	3,574,747	3,170,460
Depreciation charges	704,807	682,252
Loss on disposal of fixed assets	15,820	21,221
Finance costs	276,250	274,850
Finance income	(3,936)	(13,732)
	<u>4,567,688</u>	<u>4,135,051</u>
(Increase)/decrease in stocks	(452,306)	154,193
(Increase)/decrease in trade and other debtors	(340,593)	176,890
Increase in trade and other creditors	669,822	98,440
	<u>4,444,611</u>	<u>4,564,574</u>
Cash generated from operations		

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	<u>6,474,415</u>	<u>5,993,945</u>

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	<u>5,993,945</u>	<u>4,803,340</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2016

1. **STATUTORY INFORMATION**

New Conveyor Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

New Conveyor Limited is a private company limited by shares incorporated in United Kingdom. The address of the registered office is given in the company information on page 3 of these financial statements.

The nature of the group operations and principle activities are the design and construction of conveyor belts and roller systems.

The parent company provides the property for the trading of one of its subsidiaries and invests in freehold property in the UK and Ireland.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

Turnover

Turnover, within the parent and subsidiaries Conveyor Units Limited and Bridge Bearings Limited, is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales tax.

The group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable and that the collectability of related receivables can be reasonably assured.

Goodwill

In order to comply with FRS 102, there was a change in accounting policy, upon adoption in 2015. Acquired goodwill was previously been written in equal instalments over a estimated useful life of 20 years, it is now written off in equal instalments over a period of 5 years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provisions for permanent diminution in value.

Investment property

Investment property is shown at its cost, where it is deemed to be fair value.

The property in which the subsidiaries trade has been reclassified in tangible fixed assets.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

2. ACCOUNTING POLICIES - continued

Stocks

Stocks and work in progress are valued at the lower of cost and estimated selling price less costs to sell, after making due allowance for obsolete and slow moving items,

Cost is calculated using a first in, first out method and includes all purchase, transport and handling costs in bringing stocks to their present location and condition.

The group operates a first in first out approach to stock control.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Research expenditure is charged to the income statement in the year incurred.

Development expenditure is charged to the income statement in the year incurred unless it meets the recognition criteria for capitalisation.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the contracted date. Exchange differences are taken into account in arriving at the operating result.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

2. **ACCOUNTING POLICIES - continued**

Business combinations

Acquisitions of subsidiaries are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill.

Financial instruments

Basic financial instruments are recognised at amortised cost using the effective interest method.

Debtors and creditors with no stated interest rate receivable or payable and under normal trading terms, are recorded at their transaction price.

3. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	31.12.16	31.12.15
	£	£
United Kingdom	13,207,883	12,245,199
Europe	4,888,030	4,785,336
	<u>18,095,913</u>	<u>17,030,535</u>

4. **EMPLOYEES AND DIRECTORS**

	31.12.16	31.12.15
	£	£
Wages and salaries	4,762,179	3,940,482
Social security costs	430,298	339,544
Other pension costs	407,228	158,540
	<u>5,599,705</u>	<u>4,438,566</u>

The average monthly number of employees during the year was as follows:

	31.12.16	31.12.15
Management and administration	44	44
Production and selling	119	103
	<u>163</u>	<u>147</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 163.

	31.12.16	31.12.15
	£	£
Directors' remuneration	444,739	171,503
Directors' pension contributions to money purchase schemes	<u>240,350</u>	<u>12,191</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

4. EMPLOYEES AND DIRECTORS - continued

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>4</u>	<u>5</u>
------------------------	----------	----------

Two directors exercised share options during the year (2015 - three directors).

Information regarding the highest paid director for the year ended 31 December 2016 is as follows:

	31.12.16
	£
Emoluments etc	343,388
Pension contributions to money purchase schemes	<u>233,650</u>

Remuneration of the highest paid director for the year included termination payments for loss of office.

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.16	31.12.15
	£	£
Hire of plant and machinery	8,305	7,866
Other operating leases	81,446	79,842
Depreciation - owned assets	223,577	201,023
Loss on disposal of fixed assets	15,820	21,221
Goodwill amortisation	481,230	481,230
Auditors' remuneration	19,415	16,539
Foreign exchange differences	<u>(644,332)</u>	<u>(25,964)</u>

6. AMOUNTS WRITTEN OFF INVESTMENTS

	31.12.16	31.12.15
	£	£
Amounts w/o invs	<u>1,202</u>	<u>-</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.16	31.12.15
	£	£
Interest on unpaid tax	1,400	-
A Preference Shares dividend	100,000	100,000
B Preference Shares dividend	<u>174,850</u>	<u>174,850</u>
	<u>276,250</u>	<u>274,850</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

8. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.16 £	31.12.15 £
Current tax:		
UK corporation tax	807,176	769,323
Corporation tax adjust	2,382	(1,651)
Total current tax	809,558	767,672
Deferred tax	(3,946)	1,837
Tax on profit	805,612	769,509

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.16 £	31.12.15 £
Profit before tax	3,574,747	3,170,460
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.090%)	714,949	636,945
Effects of:		
Expenses not deductible for tax purposes	54,987	55,701
Depreciation in excess of capital allowances	79,915	82,879
Adjustments to tax charge in respect of previous periods	2,382	2,365
R&D Allowance	(26,867)	(28,593)
Patent Box	(36,454)	(25,950)
R&D Expenditure	11,681	12,500
Loss on Disposal of Assets	5,097	4,297
Rounding	-	20
Group relief	-	(94)
Deferred Tax Movement	(78)	1,837
Foreign subsidiary	-	27,602
Total tax charge	805,612	769,509

9. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

10. DIVIDENDS

	31.12.16 £	31.12.15 £
Ordinary A shares shares of 1 each Interim	600,000	600,000
Ordinary B shares shares of 1 each Interim	937,625	907,625
	<u>1,537,625</u>	<u>1,507,625</u>

11. PENSION COSTS

The group operates a defined contribution pension scheme in respect of the employees and directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the group and amounted to £166,878 (2015 £146,349).

12. FOREIGN EXCHANGE DIFFERENCES

During the year the group had foreign exchange gains of £644,332, (2015 £25,964) which were charged to the profit and loss account.

13. FINANCIAL INSTRUMENTS

Basic financial instruments are recognised at amortised cost using the effective interest method.

Debtors and creditors with no stated interest rate receivable or payable and under normal trading terms, are recorded at their transaction price.

14. RESEARCH AND DEVELOPMENT

Research expenditure is charged to the income statement in the year incurred.

Development expenditure is charged to the income statement in the year incurred unless it meets the recognition criteria for capitalisation.

15. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 January 2016 and 31 December 2016	<u>3,332,691</u>
AMORTISATION	
At 1 January 2016	1,407,770
Amortisation for year	<u>481,230</u>
At 31 December 2016	<u>1,889,000</u>
NET BOOK VALUE	
At 31 December 2016	<u>1,443,691</u>
At 31 December 2015	<u>1,924,921</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

15. INTANGIBLE FIXED ASSETS - continued

Company

	Goodwill £
COST	
At 1 January 2016	
and 31 December 2016	3,007,691
AMORTISATION	
At 1 January 2016	1,082,770
Amortisation for year	481,230
At 31 December 2016	1,564,000
NET BOOK VALUE	
At 31 December 2016	1,443,691
At 31 December 2015	1,924,921

16. TANGIBLE FIXED ASSETS

Group

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2016	-	3,278,639	603,767	388,800	4,271,206
Additions	-	130,434	-	198,124	328,558
Disposals	-	-	-	(110,130)	(110,130)
Reclassification/transfer	1,654,562	-	-	-	1,654,562
At 31 December 2016	1,654,562	3,409,073	603,767	476,794	6,144,196
DEPRECIATION					
At 1 January 2016	-	2,471,507	576,736	227,001	3,275,244
Charge for year	-	140,652	4,055	78,870	223,577
Eliminated on disposal	-	-	-	(65,686)	(65,686)
At 31 December 2016	-	2,612,159	580,791	240,185	3,433,135
NET BOOK VALUE					
At 31 December 2016	1,654,562	796,914	22,976	236,609	2,711,061
At 31 December 2015	-	807,132	27,031	161,799	995,962

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

16. TANGIBLE FIXED ASSETS - continued

Company

	Freehold land and buildings £	Plant and machinery £	Totals £
COST			
Additions	-	24,591	24,591
Reclassification/transfer	1,654,562	-	1,654,562
At 31 December 2016	1,654,562	24,591	1,679,153
DEPRECIATION			
Charge for year	-	3,689	3,689
At 31 December 2016	-	3,689	3,689
NET BOOK VALUE			
At 31 December 2016	1,654,562	20,902	1,675,464

17. FIXED ASSET INVESTMENTS

Group

	Shares in group undertakings £
COST	
At 1 January 2016	1,208
Impairments	(1,202)
At 31 December 2016	6
NET BOOK VALUE	
At 31 December 2016	6
At 31 December 2015	1,208

Company

	Shares in group undertakings £
COST	
At 1 January 2016 and 31 December 2016	15,846,900
PROVISIONS	
At 1 January 2016 and 31 December 2016	9,999,999
NET BOOK VALUE	
At 31 December 2016	5,846,901
At 31 December 2015	5,846,901

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

17. **FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Conveyor Units Limited

Registered office: United Kingdom

Nature of business: Manufacturing

	% holding	31.12.16	31.12.15
Class of shares:			
Ordinary A	100.00	£	£
Aggregate capital and reserves		10,291,383	8,877,927
Profit for the year		3,148,306	2,779,601

Bridge Bearings Limited

Registered office: United Kingdom

Nature of business: Manufacturing

	% holding	31.12.16	31.12.15
Class of shares:			
Ordinary A	100.00	£	£
Aggregate capital and reserves		3,524,609	3,157,265
Profit for the year		377,344	223,893

Conveyor Units Hong Kong Limited

Registered office: Hong Kong

Nature of business: Manufacturing

	% holding	31.12.16	31.12.15
Class of shares:			
Ordinary A	80.00	£	£
Aggregate capital and reserves		(87,990)	(13,392)
Loss for the year		(103,829)	(3,873)

Ningbo Zhenghai Jian Tian Bearing Factory

Registered office:

Nature of business: Manufacturing

	% holding	31.12.16	31.12.15
Class of shares:			
Ordinary	61.60	£	£
Aggregate capital and reserves		290,255	290,255
Loss for the year		(138,012)	(138,012)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

17. FIXED ASSET INVESTMENTS - continued

Bridge Management Services

Registered office:

Nature of business: Dormant

	% holding	31.12.16	31.12.15
Class of shares:			
Ordinary	50.00	£	£
Aggregate capital and reserves		<u>1,750</u>	<u>1,750</u>

The company is a subsidiary of Bridge Bearings Limited and is not included in the consolidation due to its dormant nature.

Bridge Plastics Limited

Registered office:

Nature of business: Dormant

	% holding	31.12.16	31.12.15
Class of shares:			
Ordinary	99.00	£	£
Aggregate capital and reserves		<u>100</u>	<u>100</u>

The company is a subsidiary of Bridge Bearings Limited and is not included in the consolidation due to its dormant nature.

Bridge Metal Treatments Limited

Registered office:

Nature of business: Dormant

	% holding	31.12.16	31.12.15
Class of shares:			
Ordinary A	99.00	£	£
Aggregate capital and reserves		<u>100</u>	<u>100</u>

The company is a subsidiary of Bridge Bearings Limited and is not included in the consolidation due to its dormant nature.

Conveyor Rollers(Bridge) Limited

Registered office:

Nature of business: Dormant

	% holding	31.12.16	31.12.15
Class of shares:			
Ordinary A	99.99	£	£
Aggregate capital and reserves		<u>12,000</u>	<u>12,000</u>

The company is a subsidiary of Bridge Bearings Limited and is not included in the consolidation due to its dormant nature.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

17. **FIXED ASSET INVESTMENTS - continued**

The investment in non trading subsidiaries of Bridge Bearings Ltd has been impaired to nil value during the year.

18. **INVESTMENT PROPERTY**

Group

	Total £
FAIR VALUE	
At 1 January 2016	4,181,386
Additions	1,094,028
Reclassification/transfer	(1,654,562)
	<hr/>
At 31 December 2016	3,620,852
	<hr/>
NET BOOK VALUE	
At 31 December 2016	3,620,852
	<hr/> <hr/>
At 31 December 2015	4,181,386
	<hr/> <hr/>

Company

	Total £
FAIR VALUE	
At 1 January 2016	4,181,386
Additions	1,094,028
Reclassification/transfer	(1,654,562)
	<hr/>
At 31 December 2016	3,620,852
	<hr/>
NET BOOK VALUE	
At 31 December 2016	3,620,852
	<hr/> <hr/>
At 31 December 2015	4,181,386
	<hr/> <hr/>

The original property, used by Conveyor Units Limited, a subsidiary of the company, is included at its cost price on purchase of £1,654,562. This property was recategorised as land and buildings during the year.

The 2013 investment property valued at £655,280 was valued on an arm's length basis by Raymond O'Neill MSCSI MRICS of Sherry FitzGerald O'Neill, Western Road, Clonakilty, Co Cork on 15th August 2013.

The investment property additions during 2014 amounting to £1,426,018 were recorded at their cost price when acquired during the year.

The investment property additions during 2015, amounting to £444,316 have also been recorded at their cost price when acquired having been subject to independent valuation prior to purchase.

The new property additions in 2016 amounting to £1,094,028 have been recorded at cost which is to be considered to be fair value at the end of the financial year.

The directors consider the original costs are equivalent to their fair valuations at the year end date. The directors believe that in the current property market they are not likely to have changed materially.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

19. STOCKS

	Group	
	31.12.16	31.12.15
	£	£
Finished goods	1,199,706	1,013,176
Raw materials	934,709	707,211
Work-in-progress	273,229	234,951
	<u>2,407,644</u>	<u>1,955,338</u>

20. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Trade debtors	2,951,277	2,847,577	-	-
Other debtors	7,523	5,146	-	-
Directors' current accounts	420,500	489,375	4,500	6,750
Tax	139,031	357,772	2,250	2,250
Prepayments and accrued income	320,096	111,495	-	-
	<u>3,838,427</u>	<u>3,811,365</u>	<u>6,750</u>	<u>9,000</u>

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Trade creditors	1,503,233	949,534	-	1
Amounts owed to group undertakings	12,210	12,209	3,064,529	1,838,289
Tax	317,512	451,889	-	-
Social security and other taxes	353,030	241,785	(3,242)	-
Other creditors	3,166	861	3,166	-
Directors' current accounts	221,814	325,735	-	-
Accruals and deferred income	127,931	152,473	4,250	2,500
	<u>2,538,896</u>	<u>2,134,486</u>	<u>3,068,703</u>	<u>1,840,790</u>

22. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Preference shares (see note 23)	<u>8,994,000</u>	<u>8,994,000</u>	<u>8,994,000</u>	<u>8,994,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

23. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Amounts falling due between one and two years:				
Preference shares	<u>8,994,000</u>	<u>8,994,000</u>	<u>8,994,000</u>	<u>8,994,000</u>

Preference shares within creditors above consist of 2,000,000 Redeemable A Preference shares and 6,994,000 Redeemable B Preference shares. Dividends are voted upon these shares at fixed rates.

The shares are redeemable at the option of the holder within a 30 day notice period.

The holder of the A and B preference shares, Mr EW Toye, has given an undertaking not to redeem these shares within the next 12 months and hence they are classified as amounts due after one year.

Dividends were paid of 5p per each A preference share and 2.5p per each B preference share.

24. LEASING AGREEMENTS

Operating leases, for which the company acts as a lessor, primarily relate to the lease of investment property to a number of commercial tenants.

Total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2016	2015
Not later than one year	£ -	£6,001
Later than one and not later than five years	£ -	£32,400
Total	<u>£ -</u>	<u>£38,401</u>

The following commitments are due in respect of non cancellable operating lease commitments within 5 years for the rent of the buildings £588,653 (2015: £753,496)

25. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.12.16	31.12.15	31.12.16	31.12.15
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>105,023</u>	<u>108,969</u>	<u>199</u>	<u>8,848</u>

Group

	Deferred tax £
Balance at 1 January 2016	108,969
Provided during year	<u>(3,946)</u>
Balance at 31 December 2016	<u>105,023</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

25. **PROVISIONS FOR LIABILITIES - continued**

Company

	Deferred tax £
Balance at 1 January 2016	8,848
Provided during year	(8,649)
	<hr/>
Balance at 31 December 2016	199
	<hr/> <hr/>

26. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.16 £	31.12.15 £
6,000	Ordinary A shares	1	6,000	6,000
4,000	Ordinary B shares	1	4,000	4,000
			<hr/>	<hr/>
			10,000	10,000
			<hr/> <hr/>	<hr/> <hr/>

27. **RESERVES**

Group

	Retained earnings £
At 1 January 2016	7,567,443
Profit for the year	2,783,513
Dividends	(1,537,625)
	<hr/>
At 31 December 2016	8,813,331
	<hr/> <hr/>

Company

	Retained earnings £
At 1 January 2016	1,142,537
Profit for the year	974,882
Dividends	(1,537,625)
	<hr/>
At 31 December 2016	579,794
	<hr/> <hr/>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

28. NON-CONTROLLING INTERESTS

Minority Interests relate to the 20% shareholding of Conveyor Units Hong Kong and the 38.4% shareholding of Ningbo Zhenghai Jian Tian Bearing Factory held by non controlling parties.

	Share Capital	Profit & Reserves	Total
Conveyor Units Hong Kong	3	17,598	17,601
Ningbo Zhenghai Jian Tian Bearing Factory	98,501	(52,444)	46,057
	<u>98,504</u>	<u>(34,846)</u>	<u>63,658</u>

29. CAPITAL COMMITMENTS

	31.12.16 £	31.12.15 £
Contracted but not provided for in the financial statements	-	597,062

Group

As well as this the subsidiary, Conveyor Units Limited had commitments at the balance sheet date amounting to £64,150 which related to the purchase of plant and machinery taking place after the balance sheet date but contracted before this date.

30. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 December 2016 and 31 December 2015:

	31.12.16 £	31.12.15 £
R P Hickman		
Balance outstanding at start of year	65,125	65,125
Amounts advanced	115,625	-
Amounts repaid	(115,000)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>65,750</u>	<u>65,125</u>
I A Bytheway		
Balance outstanding at start of year	65,125	65,125
Amounts advanced	115,625	-
Amounts repaid	(115,000)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>65,750</u>	<u>65,125</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2016

30. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued**

P J Roberts

Balance outstanding at start of year	70,125	70,125
Amounts advanced	110,000	-
Amounts repaid	(180,125)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	-	70,125
	<u> </u>	<u> </u>

B J E Toye

Balance outstanding at start of year	289,000	-
Amounts advanced	115,000	404,000
Amounts repaid	(115,000)	(115,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	289,000	289,000
	<u> </u>	<u> </u>

The Director's loan account balances for each of the Directors Mr I A Bytheway and Mr R P Hickman are represented by £2,250 (2015 - £2,250) advanced from New Conveyor Limited and £63,500 (2015 - £62,875) advanced from Conveyor Units Limited.

The Director's loan account balance for Mr P J Roberts is nil (2015 - £2,250) advanced from New Conveyor Limited and nil (2015 - £67,875) advances from Conveyor Units Limited.

The Director's loan account balance for Mr B J E Toye relates wholly to amounts advanced from Conveyor Units Limited.

All director loan balances are interest free, have no fixed repayment terms and are repayable on demand.

31. **RELATED PARTY DISCLOSURES**

During the year, total dividends of £1,507,625 (2015 - £1,507,625) and preference dividends of £274,850 (2015 - £274,850) were paid to the directors.

Investment property of £694,691 was purchased at an arms length third party valuation from director Mr E W Toye during the year.

Those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, are the directors, whose remuneration is disclosed in note 4.

32. **ULTIMATE CONTROLLING PARTY**

The controlling party is E W Toye.