

REGISTERED NUMBER: 07460028 (England and Wales)

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 December 2018
for
New Conveyor Limited



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for the Year Ended 31 December 2018

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New Conveyor Limited

Company Information
for the Year Ended 31 December 2018

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

New Conveyor Limited (Registered number: 07460028)

Group Strategic Report
for the Year Ended 31 December 2018

The directors present their strategic report of the company and the group for the year ended 31 December 2018.

REVIEW OF BUSINESS

The Company is a holding company and landlord to 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 a profit on ordinary activities before tax of £2,733,085 (2017 - £5,950,489). The shareholders' funds of the Group total £14,055,040 (2017 - £12,783,875).

2017 saw the company enjoy its most successful year in terms of customer numbers and average spend. While the company's turnover dropped in 2018, the group's performance continues to be encouraging. There will be a continued focus on increasing market share for its products in the coming year.

KEY PERFORMANCE INDICATORS

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

However return on capital employed of 21.81% (2017 - 48.64%) and return on assets of 11.61% (2017 - 24.78%) are considered by the Directors to be satisfactory.

FUTURE DEVELOPMENTS

In 2019 the group will undergo a structural reorganisation. A new holding company, Galton Bridge Enterprises, Limited will acquire the shares of New Conveyor Limited and become the company's new ultimate parent company. The assets of New Conveyor Limited will be transferred to Galton Bridge Enterprises and New Conveyor Limited will eventually be wound down.

ON BEHALF OF THE BOARD:


.....
Mr I A Bytheway - Director

Date: 26/09/19

Report of the Directors
for the Year Ended 31 December 2018

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2018.

DIVIDENDS

During the year interim dividends of £750,000 were paid on the Ordinary B shares. No dividend was paid on the Ordinary A shares.

Therefore, the total amount of dividends paid during the year amounted to £750,000.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

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

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 2018

AUDITORS

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

ON BEHALF OF THE BOARD:


.....
Mr I A Bythway - Director

Date: 26/09/19

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

Opinion

We have audited the financial statements of New Conveyor Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2018 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

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 this regard.

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 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
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

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, and for such internal control as the directors determine 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 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.



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: 27/09/2019

Consolidated Income Statement
for the Year Ended 31 December 2018

		31.12.18		31.12.17 as restated	
	Notes	£	£	£	£
TURNOVER	3		19,570,415		22,097,504
Cost of sales			12,131,648		12,344,459
GROSS PROFIT			7,438,767		9,753,045
Distribution costs		753,990		643,711	
Administrative expenses		3,668,440		2,958,604	
			4,422,430		3,602,315
			3,016,337		6,150,730
Other operating income			48,568		67,842
OPERATING PROFIT	5		3,064,905		6,218,572
Interest receivable and similar income		55,554		6,850	
			55,554		6,850
			3,120,459		6,225,422
Amounts written off investments					
Joint ventures			(110,761)		-
			3,009,698		6,225,422
Interest payable and similar expenses	6		(276,613)		(274,933)
PROFIT BEFORE TAXATION			2,733,085		5,950,489
Tax on profit	7		677,074		1,234,791
PROFIT FOR THE FINANCIAL YEAR			2,056,011		4,715,698
Profit attributable to:					
Owners of the parent			2,056,011		4,715,698

New Conveyor Limited (Registered number: 07460028)

Consolidated Other Comprehensive Income
for the Year Ended 31 December 2018

	Notes	31.12.18 £	31.12.17 as restated £
PROFIT FOR THE YEAR		2,056,011	4,715,698
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,056,011</u>	<u>4,715,698</u>
Total comprehensive income attributable to:			
Owners of the parent		2,090,857	4,715,698
Non-controlling interests		<u>(34,846)</u>	<u>-</u>
		<u>2,056,011</u>	<u>4,715,698</u>


The notes form part of these financial statements

Consolidated Balance Sheet
31 December 2018

		31.12.18		31.12.17 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	15		481,231		962,461
Tangible assets	16		3,471,953		2,891,244
Investments	17		-		-
Investment property	18		4,234,772		3,832,615
			<u>8,187,956</u>		<u>7,686,320</u>
CURRENT ASSETS					
Stocks	19	2,425,923		2,572,211	
Debtors	20	4,717,196		3,927,859	
Cash at bank and in hand		11,074,718		10,908,093	
		<u>18,217,837</u>		<u>17,408,163</u>	
CREDITORS					
Amounts falling due within one year	21	12,171,536		3,196,972	
NET CURRENT ASSETS			<u>6,046,301</u>		<u>14,211,191</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,234,257</u>		<u>21,897,511</u>
CREDITORS					
Amounts falling due after more than one year	22		-		(8,994,000)
PROVISIONS FOR LIABILITIES	25		(179,217)		(119,636)
NET ASSETS			<u><u>14,055,040</u></u>		<u><u>12,783,875</u></u>
CAPITAL AND RESERVES					
Called up share capital	26		10,000		10,000
Retained earnings	27		14,045,040		12,739,029
SHAREHOLDERS' FUNDS			<u>14,055,040</u>		<u>12,749,029</u>
NON-CONTROLLING INTERESTS			<u>-</u>		<u>34,846</u>
TOTAL EQUITY			<u><u>14,055,040</u></u>		<u><u>12,783,875</u></u>

The financial statements were approved by the Board of Directors on 26/09/19 and were signed on its behalf by:


Mr E W Toye - Director


Mr I A Bytheway - Director

The notes form part of these financial statements

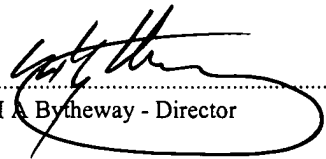
Company Balance Sheet

31 December 2018

		31.12.18	31.12.17 as restated	1.1.17
	Notes	£	£	£
FIXED ASSETS				
Intangible assets	15	-	-	1,443,691
Tangible assets	16	1,931,004	1,672,329	1,675,464
Investments	17	8,854,592	8,854,592	5,846,901
Investment property	18	4,234,772	3,832,615	3,620,852
		<u>15,020,368</u>	<u>14,359,536</u>	<u>12,586,908</u>
CURRENT ASSETS				
Debtors	20	12,687	10,141	9,992
Cash at bank		172,146	119,131	59,038
		<u>184,833</u>	<u>129,272</u>	<u>69,030</u>
CREDITORS				
Amounts falling due within one year	21	(12,939,054)	(3,264,055)	(3,071,945)
NET CURRENT LIABILITIES		<u>(12,754,221)</u>	<u>(3,134,783)</u>	<u>(3,002,915)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,266,147	11,224,753	9,583,993
CREDITORS				
Amounts falling due after more than one year	22	-	(8,994,000)	(8,994,000)
PROVISIONS FOR LIABILITIES	25	(4,442)	(282)	(199)
NET ASSETS		<u>2,261,705</u>	<u>2,230,471</u>	<u>589,794</u>
CAPITAL AND RESERVES				
Called up share capital	26	10,000	10,000	10,000
Retained earnings	27	2,251,705	2,220,471	579,794
SHAREHOLDERS' FUNDS		<u>2,261,705</u>	<u>2,230,471</u>	<u>589,794</u>

The financial statements were approved by the Board of Directors on 26/09/19 and were signed on its behalf by:


Mr E W Toye - Director


Mr I A Bytheway - Director

The notes form part of these financial statements

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

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2017	10,000	8,813,331	8,823,331	34,846	8,858,177
Changes in equity					
Dividends	-	(790,000)	(790,000)	-	(790,000)
Total comprehensive income	-	4,715,698	4,715,698	-	4,715,698
Balance at 31 December 2017	10,000	12,739,029	12,749,029	34,846	12,783,875
Changes in equity					
Dividends	-	(750,000)	(750,000)	-	(750,000)
Total comprehensive income	-	2,056,011	2,056,011	(34,846)	2,021,165
Balance at 31 December 2018	10,000	14,045,040	14,055,040	-	14,055,040

The notes form part of these financial statements

New Conveyor Limited (Registered number: 07460028)

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2017	10,000	579,794	589,794
Prior year adjustment	-	1,564,000	1,564,000
As restated	10,000	2,143,794	2,153,794
Changes in equity			
Dividends	-	(790,000)	(790,000)
Total comprehensive income	-	866,677	866,677
Balance at 31 December 2017	10,000	2,220,471	2,230,471
Changes in equity			
Dividends	-	(750,000)	(750,000)
Total comprehensive income	-	781,234	781,234
Balance at 31 December 2018	10,000	2,251,705	2,261,705

The notes form part of these financial statements

Consolidated Cash Flow Statement
for the Year Ended 31 December 2018

		31.12.18	31.12.17
		£	as restated £
Cash flows from operating activities	Notes		
Cash generated from operations	1	3,459,328	7,244,040
Interest paid		(1,763)	(83)
Finance costs paid		(274,850)	(274,850)
Tax paid		(986,646)	(862,335)
Net cash from operating activities		2,196,069	6,106,772
Cash flows from investing activities			
Purchase of tangible fixed assets		(927,219)	(481,381)
Purchase of investment property		(402,157)	(211,763)
Sale of tangible fixed assets		73,098	39,703
Interest received		55,554	6,850
Net cash from investing activities		(1,200,724)	(646,591)
Cash flows from financing activities			
New loans in year		-	6
Amount introduced by directors		20,780	274,850
Amount withdrawn by directors		(99,500)	(511,359)
Equity dividends paid		(750,000)	(790,000)
Net cash from financing activities		(828,720)	(1,026,503)
Increase in cash and cash equivalents		166,625	4,433,678
Cash and cash equivalents at beginning of year	2	10,908,093	6,474,415
Cash and cash equivalents at end of year	2	11,074,718	10,908,093

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2018

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

	31.12.18	31.12.17 as restated
	£	£
Profit before taxation	2,733,085	5,950,489
Depreciation charges	764,346	731,417
(Profit)/loss on disposal of fixed assets	(10,189)	11,308
Finance costs	276,613	274,933
Finance income	(55,554)	(6,850)
	<hr/>	<hr/>
	3,708,301	6,961,297
Decrease/(increase) in stocks	146,288	(164,567)
Increase in trade and other debtors	(684,948)	(53,346)
Increase in trade and other creditors	289,687	500,656
	<hr/>	<hr/>
Cash generated from operations	3,459,328	7,244,040
	<hr/>	<hr/>

2. **CASH AND CASH EQUIVALENTS**

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

Year ended 31 December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	11,074,718	10,908,093
	<hr/>	<hr/>

Year ended 31 December 2017

	31.12.17 as restated	1.1.17
	£	£
Cash and cash equivalents	10,908,093	6,474,415
	<hr/>	<hr/>

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2018

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 1 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 individual accounts of the parent company have been prepared on the going concern basis. However during 2019, as part of the groups structural reorganisation, the assets of New Conveyor Limited will be transferred to a new holding company, Galton Bridge Enterprises Limited, and the activities of New Conveyor Limited will be wound down

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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

2. ACCOUNTING POLICIES - continued

Investment property

Investment properties are valued as fair value and at cost where this is not deemed to be materially different to fair value.

Investment property acquired for its renovation potential is valued at its original cost plus enhancement costs to a point near to completion, where a revaluation to fair value can be attained. Any such movement due to revaluation being taken to the income statement.

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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

2. **ACCOUNTING POLICIES - continued**

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.

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:

	31.12.18	31.12.17 as restated
	£	£
United Kingdom	13,538,675	14,477,714
Europe	6,031,740	7,619,790
	<u>19,570,415</u>	<u>22,097,504</u>

4. **EMPLOYEES AND DIRECTORS**

	31.12.18	31.12.17 as restated
	£	£
Wages and salaries	4,903,280	4,926,920
Social security costs	430,098	426,572
Other pension costs	189,578	175,350
	<u>5,522,956</u>	<u>5,528,842</u>

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

	31.12.18	31.12.17 as restated
Management and administration	42	42
Production and selling	138	140
	<u>180</u>	<u>182</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

4. EMPLOYEES AND DIRECTORS - continued

The average number of employees by undertakings that were proportionately consolidated during the year was 180 (2017 - 182).

	31.12.18	31.12.17 as restated
	£	£
Directors' remuneration	35,200	99,008
Directors' pension contributions to money purchase schemes	6,700	6,700
	<u> </u>	<u> </u>

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

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

5. OPERATING PROFIT

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

	31.12.18	31.12.17 as restated
	£	£
Hire of plant and machinery	506	10,711
Other operating leases	109,677	92,347
Depreciation - owned assets	283,601	250,187
(Profit)/loss on disposal of fixed assets	(10,189)	11,308
Goodwill amortisation	481,230	481,230
Auditors' remuneration	18,560	17,650
Foreign exchange differences	(16,529)	(222,904)
	<u> </u>	<u> </u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.18	31.12.17 as restated
	£	£
Bank interest	1,543	-
Interest on late tax payments	220	83
A Preference Shares dividend	100,000	100,000
B Preference Shares dividend	174,850	174,850
	<u> </u>	<u> </u>
	276,613	274,933
	<u> </u>	<u> </u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

7. TAXATION

Analysis of the tax charge

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

	31.12.18	31.12.17 as restated
	£	£
Current tax:		
UK corporation tax	642,806	1,223,240
Corporation tax adjust	(25,313)	(3,062)
Total current tax	617,493	1,220,178
Deferred tax	59,581	14,613
Tax on profit	677,074	1,234,791

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:

	31.12.18	31.12.17 as restated
	£	£
Profit before tax	2,733,085	5,950,489
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	519,286	1,130,593
Effects of:		
Expenses not deductible for tax purposes	78,244	58,715
Income not taxable for tax purposes	1,936	-
Depreciation in excess of capital allowances	83,177	76,976
Adjustments to tax charge in respect of previous periods	(25,313)	(3,062)
Patent Box	(39,837)	(58,083)
Deferred Tax Movement	59,581	14,613
Rate changes	-	15,039
Total tax charge	677,074	1,234,791

8. 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.

9. DIVIDENDS

	31.12.18	31.12.17 as restated
	£	£
Ordinary B shares shares of 1 each		
Interim	750,000	790,000

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

10. PRIOR YEAR ADJUSTMENT

The goodwill part of the investment in subsidiaries had previously been shown separately in the individual company's accounts and subsequently amortised each year. This was incorrect and a prior year adjustment has been made to correct this, removing the goodwill and amortisation and showing the initial investment at its correct cost less provision for impairment.

The accounting entries in the financial statements were:

	DR	CR
	£	£
Goodwill cost		3,007,691
Goodwill amortisation	2,045,230	
Share in group undertaking cost	4,153,100	
Share in group undertaking impairment		1,145,409
Amortisation of goodwill for year		481,230
Prior year adjustment		1,564,000

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 £189,578 (2017 - £175,350).

12. FOREIGN EXCHANGE DIFFERENCES

During the year the group had foreign exchange gains of £16,529 (2017 - £222,904) 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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

15. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 January 2018	
and 31 December 2018	3,332,691
AMORTISATION	
At 1 January 2018	2,370,230
Amortisation for year	481,230
At 31 December 2018	2,851,460
NET BOOK VALUE	
At 31 December 2018	481,231
At 31 December 2017	962,461

16. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £	Long leasehold £	Plant and machinery £
COST			
At 1 January 2018	1,654,562	-	3,805,014
Additions	239,713	245,000	171,269
At 31 December 2018	1,894,275	245,000	3,976,283
DEPRECIATION			
At 1 January 2018	-	-	2,791,140
Charge for year	-	-	177,770
Eliminated on disposal	-	-	-
At 31 December 2018	-	-	2,968,910
NET BOOK VALUE			
At 31 December 2018	1,894,275	245,000	1,007,373
At 31 December 2017	1,654,562	-	1,013,874

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

16. **TANGIBLE FIXED ASSETS - continued**

Group

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 January 2018	603,767	489,594	6,552,937
Additions	-	271,237	927,219
Disposals	-	(149,501)	(149,501)
At 31 December 2018	603,767	611,330	7,330,655
DEPRECIATION			
At 1 January 2018	584,237	286,316	3,661,693
Charge for year	2,930	102,901	283,601
Eliminated on disposal	-	(86,592)	(86,592)
At 31 December 2018	587,167	302,625	3,858,702
NET BOOK VALUE			
At 31 December 2018	16,600	308,705	3,471,953
At 31 December 2017	19,530	203,278	2,891,244

Company

	Freehold land and buildings £	Plant and machinery £	Totals £
COST			
At 1 January 2018	1,654,562	24,591	1,679,153
Additions	239,713	25,444	265,157
At 31 December 2018	1,894,275	50,035	1,944,310
DEPRECIATION			
At 1 January 2018	-	6,824	6,824
Charge for year	-	6,482	6,482
At 31 December 2018	-	13,306	13,306
NET BOOK VALUE			
At 31 December 2018	1,894,275	36,729	1,931,004
At 31 December 2017	1,654,562	17,767	1,672,329

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

17. **FIXED ASSET INVESTMENTS**

Company

	Shares in group undertakings £
COST	
At 1 January 2018 and 31 December 2018	20,000,000
PROVISIONS	
At 1 January 2018 and 31 December 2018	11,145,408
NET BOOK VALUE	
At 31 December 2018	8,854,592
At 31 December 2017	8,854,592

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	31.12.18	31.12.17
Class of shares:	100.00	£	£
Ordinary A		15,579,050	14,240,340
Aggregate capital and reserves		2,363,560	5,013,807
Profit for the year			

Bridge Bearings Limited

Registered office: United Kingdom
Nature of business: Manufacturing

	% holding	31.12.18	31.12.17
Class of shares:	100.00	£	£
Ordinary A		4,587,645	4,059,587
Aggregate capital and reserves		528,058	524,978
Profit for the year			

17. FIXED ASSET INVESTMENTS - continued

Bridge Management Services

Registered office:

Nature of business: Dormant

	%		
Class of shares:	holding		
Ordinary	50.00	31.12.18	31.12.17
		£	£
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

	%		
Class of shares:	holding		
Ordinary	99.00	31.12.18	31.12.17
		£	£
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

	%		
Class of shares:	holding		
Ordinary A	99.00	31.12.18	31.12.17
		£	£
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

	%		
Class of shares:	holding		
Ordinary A	99.99	31.12.18	31.12.17
		£	£
Aggregate capital and reserves		<u>1,200</u>	<u>1,200</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 2018

17. **FIXED ASSET INVESTMENTS - continued**

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

18. **INVESTMENT PROPERTY**

Group

	Total £
FAIR VALUE	
At 1 January 2018	3,832,615
Additions	402,157
	<hr/>
At 31 December 2018	4,234,772
	<hr/>
NET BOOK VALUE	
At 31 December 2018	4,234,772
	<hr/>
At 31 December 2017	3,832,615
	<hr/>

During the year a surveyor (Sherry FitzGerald) was used by the directors to confirm that in their opinion the value of the investment properties was unchanged and represented fair value.

Company

	Total £
FAIR VALUE	
At 1 January 2018	3,832,615
Additions	402,157
	<hr/>
At 31 December 2018	4,234,772
	<hr/>
NET BOOK VALUE	
At 31 December 2018	4,234,772
	<hr/>
At 31 December 2017	3,832,615
	<hr/>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

18. INVESTMENT PROPERTY - continued

Company

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

The investment property additions in 2015 amounting to £445,526 were recorded at their cost price when acquired having been subject to independent valuation prior to purchase.

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

The investment property additions in 2017 amounting to £211,763 were recorded at cost which is to be considered to be fair value at the end of this financial year.

The investment property additions in this year amounting to £402,157 have been recorded at cost which is to be considered to be fair value at the end of this financial year.

The directors have taken independent advice from a surveyor (Sherry FitzGerald) to confirm that, in their opinion, 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.

19. STOCKS

	Group	
	31.12.18	31.12.17 as restated
	£	£
Finished goods	1,268,008	1,358,494
Raw materials	825,668	665,323
Work-in-progress	332,247	548,394
	<u>2,425,923</u>	<u>2,572,211</u>

20. DEBTORS

	Group		Company	
	31.12.18	31.12.17 as restated	31.12.18	31.12.17 as restated
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,823,910	3,211,549	-	-
Other debtors	3,533	10,819	-	1,075
Directors' current accounts	557,500	458,000	4,500	4,500
Tax	6,014	1,125	6,014	1,125
VAT	41,121	6,129	2,173	3,441
Prepayments and accrued income	151,868	106,987	-	-
	<u>4,583,946</u>	<u>3,794,609</u>	<u>12,687</u>	<u>10,141</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

20. **DEBTORS - continued**

	Group		Company	
	31.12.18	31.12.17 as restated	31.12.18	31.12.17 as restated
	£	£	£	£
Amounts falling due after more than one year:				
Tax	133,250	133,250	-	-
	<u>133,250</u>	<u>133,250</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>4,717,196</u>	<u>3,927,859</u>	<u>12,687</u>	<u>10,141</u>

21. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	31.12.18	31.12.17 as restated	31.12.18	31.12.17 as restated
	£	£	£	£
Preference shares (see note 23)	8,994,000	-	8,994,000	-
Trade creditors	2,187,450	2,085,100	-	-
Amounts owed to group undertakings	12,209	12,209	3,931,308	3,240,408
Tax	306,435	670,699	7,414	18,797
Social security and other taxes	501,784	244,388	-	-
Other creditors	982	-	982	-
Directors' current accounts	43,585	22,805	-	-
Accruals and deferred income	125,091	161,771	5,350	4,850
	<u>12,171,536</u>	<u>3,196,972</u>	<u>12,939,054</u>	<u>3,264,055</u>

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

	Group		Company	
	31.12.18	31.12.17 as restated	31.12.18	31.12.17 as restated
	£	£	£	£
Preference shares (see note 23)	-	8,994,000	-	8,994,000
	<u>-</u>	<u>8,994,000</u>	<u>-</u>	<u>8,994,000</u>

23. **LOANS**

An analysis of the maturity of loans is given below:

	Group		Company	
	31.12.18	31.12.17 as restated	31.12.18	31.12.17 as restated
	£	£	£	£
Amounts falling due within one year or on demand:				
Preference shares	8,994,000	-	8,994,000	-
	<u>8,994,000</u>	<u>-</u>	<u>8,994,000</u>	<u>-</u>
Amounts falling due between one and two years:				
Preference shares	-	8,994,000	-	8,994,000
	<u>-</u>	<u>8,994,000</u>	<u>-</u>	<u>8,994,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

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 A and B preference shares held by Mr EW Toye have been redeemed in 2019 as part of the group restructuring of the company and therefore have been transferred from being in amounts due after one year to amounts due within one year.

During the year interest was paid of 5p per each A preference share and 2.5p per each B preference share, making a total of £274,850 interest paid on the preference shares for the year.

24. SECURED DEBTS

Group

Subsidiary company Conveyor Units Limited has given a limited guarantee for £250,000 dated 04/11/1997 in favour of Barclays Bank plc, in respect of Bridge Bearings Limited, another subsidiary company of New Conveyor Limited. However at the year end Bridge Bearings Limited had cash at bank of £3,304,416 (2017 - £2,945,983).

25. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.12.18	31.12.17 as restated	31.12.18	31.12.17 as restated
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>179,217</u>	<u>119,636</u>	<u>4,442</u>	<u>282</u>
Group				
				Deferred tax £
Balance at 1 January 2018				119,636
Charge to Income Statement during year				<u>59,581</u>
Balance at 31 December 2018				<u><u>179,217</u></u>
Company				
				Deferred tax £
Balance at 1 January 2018				282
Accelerated capital allowances				<u>4,160</u>
Balance at 31 December 2018				<u><u>4,442</u></u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

26. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	31.12.18	31.12.17 as restated
			£	£
6,000	Ordinary A shares	1	6,000	6,000
4,000	Ordinary B shares	1	4,000	4,000
			<u>10,000</u>	<u>10,000</u>

27. RESERVES

Group

	Retained earnings £
At 1 January 2018	12,739,029
Profit for the year	2,056,011
Dividends	(750,000)
At 31 December 2018	<u>14,045,040</u>

Company

	Retained earnings £
At 1 January 2018	2,220,471
Profit for the year	781,234
Dividends	(750,000)
At 31 December 2018	<u>2,251,705</u>

28. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 December 2018 and 31 December 2017:

	31.12.18	31.12.17 as restated
	£	£
R P Hickman		
Balance outstanding at start of year	78,250	65,750
Amounts advanced	49,750	12,500
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>128,000</u>	<u>78,250</u>

28. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued

I A Bytheway

Balance outstanding at start of year	78,250	65,750
Amounts advanced	49,750	12,500
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>128,000</u>	<u>78,250</u>

B J E Toye

Balance outstanding at start of year	301,500	289,000
Amounts advanced	-	12,500
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>301,500</u>	<u>301,500</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 (2017 - £2,250) advanced from New Conveyor Limited and £127,500 (2017 - £76,000) advanced from Conveyor Units Limited.

The Director's loan account balance for Mr B J E Toye of £301,500 (2017 - £301,500) 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.

29. RELATED PARTY DISCLOSURES

During the year, total dividends of £750,000 (2017 - £790,000) and preference dividends of £274,850 (2017 - £274,850) were paid to the directors.

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.

30. POST BALANCE SHEET EVENTS

New Conveyor Limited is regarded by the directors as being the ultimate parent company of the New Conveyor Limited group.

After the year end a new holding company, Galton Bridge Enterprises Limited, will acquire the shares of New Conveyor Limited and become the new ultimate parent company.

31. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr E W Toye.

After the year end a new holding company Galton Bridge Enterprises Limited will acquire the shares of New Conveyor Limited (the current holding company) and the directors Mr I A Bytheway, Mr R P Hickman and Mr B J E Toye will each jointly own the share capital in the new holding company and will therefore become the ultimate controlling parties of New Conveyor Limited.