



Verification report – UK Producer Case: TD0034 Steel Rope and Cables

Period of Investigation (POI):	1 January 2022 – 31 December 2022
Injury Period:	1 January 2019 – 31 December 2022
Date of report:	12/10/2023
Case team contact details:	TD0034@traderemedies.gov.uk
Company verified:	Bridon International Ltd

For further details, please see the [Notice of initiation](#) on the public file.



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Executive Summary

The Trade Remedies Authority (TRA) is conducting a transition review to determine whether the UK should vary or revoke an anti-dumping measure on steel ropes and cables (SRC) originating in the People's Republic of China (PRC) (including steel ropes and cables consigned from Morocco and the Republic of Korea), pursuant to Part 12 of The Trade Remedies (Dumping & Subsidies) (EU Exit) Regulations 2019 ('the D&S Regs.' or 'the Regulations') - Statutory Instrument 450/2019.

As part of the review, the TRA sought to assess the completeness, relevance, and accuracy of the information that the UK producer of the like goods – Bridon International Ltd (Bridon) provided in its questionnaire response. This covered its company structure and operations, the goods it produces, costs, sales, injury, and the economic impact of varying or revoking the measure.

During the verification process, the TRA compared Bridon's questionnaire response, including the data annexed and accompanying evidence, to information from sources such as Companies House, HM Revenue & Customs (HMRC), Bridon's website, and transaction documents. At the time of verification, Bridon's audited financial statements which cover the POI had not been published, however we scrutinised the information we obtained for internal consistency and reconciled financial data to Bridon's Trial Balance and internal accounts. Accuracy and relevance of the data was verified through the performance of downwards verification procedures by tracing a sample of transactions to their source documentation.

The TRA does not have any concerns to report in respect of Bridon's questionnaire response. We were unable to verify the net operating profit after tax (NOPAT) for the like goods because of some complications of applying the correct tax treatment specifically to the like goods. Therefore, we asked Bridon to provide its operating profit before tax for the like goods for the injury period, which we were able to reconcile to Bridon's profitability report. We also found differences between the employee figures provided by Bridon and Bridon's audited financial statements for 2019 and 2021. We decided to rely on the financial statement figures as these were verified by the auditors.

Apart from the exceptions above, we were able to verify the information provided by Bridon in its questionnaire response, annex data and throughout the verification process. Any other exceptions or adjustments have been identified throughout the report. Based on the verification activities that we have undertaken we gained a



reasonable level of assurance on the completeness, relevance and accuracy of the information provided by Bridon and we can use it for the purpose of this transition review.

Purpose of verification

The purpose of the TRA's verification activity is to provide the assurance considered necessary to make a decision as to whether the information (data) provided by Bridon is verifiable and can be used for the purposes of our investigation. Such data may then be considered in our assessments and analysis to determine whether injury is caused or likely to be caused to the UK industry by dumped imports of the goods subject to review. This will form the basis for establishing appropriate measures where necessary, and to assess whether these are in the UK's economic interest.

We carried out verification activities using desk-based research and on-site verification analysis. We did not seek to verify all information provided, but to check the work considered appropriate and practical within the time constraints of the transition review, to obtain the level of assurance required in order to base a recommendation.

This verification report documents the work we have completed, the checks the case team has carried out and conclusions we have reached about the reliability of information provided by the verified party.

Confidential information

The verification report is classified as 'confidential' and provided to Bridon. Bridon must provide a non-confidential version of the verification report marked as 'non-confidential' in the header.

If any information contained in the confidential verification report is considered confidential by Bridon, it should delete or redact those sections and provide a non-confidential summary of the information which has been removed. The summary must include reasons as to why the particular information is considered confidential (see also [public guidance](#)).

The non-confidential version of the verification report will be published on the public file.



Verification

Please find below a summary of work that has been completed and the checks that have been carried out by the case team to determine whether the information provided by the interested party in their questionnaire response is verifiable.

A. Company information and associations

What information was considered
<ul style="list-style-type: none"> • General set up, ownership and management, production facilities • Associations • Accounting practices and policies • Accounting system walkthrough
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):</i></p>
How the information was checked
<p>General set-up, ownership/management, production facilities</p> <p>We cross-checked the company information provided by Bridon by examining submissions published by Companies House, including Bridon's most recent audited financial report for the year ending 31st December 2021 and its corporate structure including current directors. We also used other open sources such as Bridon's company website. We found the information from these sources to be consistent with the information provided by Bridon in its questionnaire response.</p> <p>Associations</p> <p>We conducted our investigation using information found on Companies House. This allowed us to determine whether Bridon has fully declared its associations. The findings were then compared to the questionnaire responses, and we found the information retrieved from those sources consistent with the information provided by Bridon in its questionnaire response. We also analysed Bridon's transaction data to gather information on raw material suppliers and customers and found that there were no undeclared associated parties. We tested for associated party transactions by reviewing all sales and purchases, then we tested the one apparent associated company transacted with at onsite verification and received adequate explanations and evidence. We did not find any undeclared associations.</p>



Accounting Practices and Policies

The financial statements for Bridon are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Detailed accounting policies for the company are included in the audited financial statements. We were able to verify Bridon's basis for accounts preparation, the financial year convention, and the methodology for valuing stock. There were no discrepancies between those results and Bridon's questionnaire response.

Accounting system walkthrough

We conducted a walkthrough of Bridon's accounting systems on 29 August 2023. The walkthrough allowed us to gain a better understanding of the accounting process described in the questionnaire response, as well as determine the level of reliance to place on the system and the data produced from it.

During this process, Bridon showed us the general sales and purchasing process from beginning to end, and the payroll processes by tracing specific transactions. In addition, we saw what tasks were manual; where there are segregated duties; and what checks and approvals are needed before transactions are posted to the accounts.

We identified that the accounting system appeared to be logical and well administered. Most of the process was automated and there was minimal manual input; however, where there were manual interventions in inputting transactions, we identified that there were authorisations to mitigate any risk of errors.

We have gained a reasonable level of understanding of Bridon's accounting systems and how it produced the figures provided in the questionnaire response. Therefore, we consider the explanations reasonable and did not identify issues of concern.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

There were no exceptions, findings, or adjustments to the report with regards to the company information and associations.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



Conclusions

The information relating to company structure and associations provided by Bridon is verifiable. Based on the work done, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for the dumping likelihood assessment, the Economic Interest Test (EIT) assessment, the injury likelihood assessment and for any other purpose within this transition review.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



B. Goods

What information was considered

- Internal product coding system
- Goods description and comparability to the like goods made and sold in the UK.
 - Annex 2 Product Comparison
 - Annex 7 Transaction by Transaction Domestic Sales

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Internal coding system

Bridon explained its internal coding system in an appendix to the questionnaire response and how it allocated PCNs to its products. Bridon demonstrated the methodologies it used to differentiate the like goods from the goods out of scope and how it mapped the components to the PCNs. We examined one PCN in detail and were able to follow the allocation of the product using production details from start to finish. We examined technical specification documentation provided to us by Bridon to ensure that the specifications agreed with the allocation of products to PCNs. Based on the demonstration, and the evidence that we examined, we obtained a reasonable level of assurance that Bridon has properly identified PCNs to the like goods in line with the PCN guide provided in the questionnaire.

Goods description and comparability to the like goods made and sold in the UK.

We queried some products designated as out of scope in the questionnaire and Bridon provided clarification and explanations as to why these products were not in scope. We further analysed the T-by-T data from the POI to confirm that it did not include any product that is out of the scope of this review. We were able to confirm that all PCNs in the T-by-T listing are within the scope of the review and the products we queried do not fall within the current scope of the review.

Bridon's products were also compared with information from the questionnaire, its website and various web searches. Invoice documents for raw material were found to be consistent with the material frequently used in the production of the like goods. The methods of production and sales shown in these various sources were aligned as described by Bridon.



If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

There were no exceptions, findings, and/or adjustments to report with regards to goods.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to the company's goods provided by Bridon is verifiable. Based on the work done, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA in the dumping likelihood assessment, the Economic Interest Test (EIT) assessment, the injury likelihood assessment and for any other purpose within this transition review.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



C. Costs

What information was considered
<ul style="list-style-type: none"> • Trial Balance as of 31 December 2022 • December 2022 Income Statement • Domestic Producer Questionnaire • Domestic Producer Questionnaire Annex: <ul style="list-style-type: none"> ○ Annex 3: Cost To Make And Sell ○ Annex 4: Cost Reconciliation • Cost structure, components and allocation methodologies
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):</i></p>
How the information was checked
<p>Upwards verification</p> <p>We performed upwards verification to test the completeness of Bridon’s cost to make and sell (CTMS) figures. Bridon’s financial year matched the POI, so there was no requirement to align the accounts. Bridon’s audited accounts for the POI have not yet been published, so during verification we reconciled the total CTMS in the questionnaire submission with the December 2022 Income Statement and the Trial Balance as at 31 December 2022 and found they all aligned.</p> <p>During the verification visit, Bridon demonstrated how it retrieved the CTMS data for all the goods it produced during the POI from its accounting system to create the Income Statement. We reconciled the total CTMS data on the Income Statement to the Trial Balance for year end 31 December 2022 and to the figures provided in the cost to make and sell, and cost reconciliation tabs of the questionnaire annex. No differences were identified and we obtained a reasonable level of assurance over the completeness of the figures reported for the CTMS of all goods for the POI.</p> <p>We verified the CTMS of the like goods by recalculating the CTMS allocated to the like goods for the POI. Bridon’s sales of the like goods during the POI represent 76% of sales from two profit centres that produce the like goods. Therefore, the CTMS of the like goods is 76% of the total costs for the two profit centres during the POI. Trading goods to head office were then also deducted. We found the process and methodology reasonable.</p>
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):</i></p>



Exceptions/Findings/Adjustments

There were no exceptions, findings, and/or adjustments to report with regards to CTMS.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to costs provided by Bridon is verifiable. Based on the work done, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA in the dumping likelihood assessment, the Economic Interest Test (EIT) assessment, the injury likelihood assessment and for any other purpose within this transition review.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



D. Sales

What information was considered

- Bridon’s Management Accounts for financial year 2022
- Bridon’s Trial Balance as of 31 December 2022
- Bridon’s sales margin report
- Domestic Producer Questionnaire
- Domestic Producer Questionnaire Annex
 - Annex 7 T by T Domestic Sales
 - Annex 8 Sales Reconciliation

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Sales Upwards

We performed upwards verification of Bridon’s sales data reported in the questionnaire annex by reconciling it to the financial accounts to test it for completeness.

At the time of verification, Bridon’s audited financial statements for the POI had not been published. We verified the sales using the 2022 Management Accounts and the Trial Balance as at 31 December 2022. Bridon also provided a report containing full sales details from its accounting system, which we reconciled to the Management Accounts and the Trial Balance. There was a minor difference between the Trial Balance and the Management Accounts, but this was immaterial and explained to be Bridon Technology Centre (BTC) services that do not fall within scope.

The total sales figures for the like goods reported in the questionnaire response reconciles with the sales figures in the sales report obtained from the accountancy system. During the verification visit, Bridon demonstrated how the sales were extracted from its systems to create the questionnaire response. We found the process to be reasonable and clear.

Sales Downwards

In the downwards verification, we assessed the accuracy and relevance of the sales data submitted by Bridon against source documents by selecting a sample of sales transactions through a risk and materiality based approach for testing.

During the verification visit, we went through the sampled transactions to ensure the accuracy and relevance of the transactions. We analysed invoices, sales orders, delivery notes, and proof of payments and closely examined specific issues with the documentation provided (i.e. invoices containing more than one product). We did not



identify any material discrepancy in the documents we reviewed. Where we found minor discrepancies, Bridon provided explanations with evidence to reconcile the discrepancy. This gave us a reasonable level of assurance over the relevance and accuracy of the sales data that we tested.

We found no evidence of undeclared price reductions in any of the transactions we tested and were able to verify this further by questioning Bridon and examining sales orders and internal accounts. We queried some discrepancies between the domestic freight charges on the invoices and what Bridon reported in the annex. Bridon explained the difference was due to a standard freight charge being issued on the invoice, however actual shipping costs may vary from the standard price set in their ordering portal. We accepted this explanation as reasonable and considered the differences in the freight charges to be immaterial.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

There were no exceptions, findings, and/or adjustments to report with regards to sales.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to sales provided by Bridon is verifiable. Based on the work done, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA in the dumping likelihood assessment, the Economic Interest Test (EIT) assessment, the injury likelihood assessment and for any other purpose within this transition review.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



E. Injury

What information was considered

- Annex 9: Injury
 - Sales figures for the Injury Period
 - Profitability for all goods and like goods
 - Production output by volume and value for the like goods
 - Market share for the like goods
 - Total production capacity and capacity utilisation for the like goods
 - Cashflow for all goods
 - Inventory of all goods
- Annex 10: Investments
 - Investments and return on investment (ROI)
- Annex 12: EIT
- Employment, median wage, and productivity for the like goods

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

Sales figures for the Injury Period

The verification activities in respect of sales over the POI have been described in section D above, for which we have gained reasonable assurance that the data provided by Bridon is complete, relevant, and accurate. This further analysis relates to the 3 years prior to the POI.

We compared the total sales for all goods figures for the injury period provided in the questionnaire submission to the financial statements. Any discrepancies were explained by Bridon, and we accepted the explanations as reasonable. To verify the turnover, Bridon provided its Income Statements for the injury period. We filtered the data to see the turnover relating to the like goods and found it to be consistent with the data provided in the questionnaire response.

Profit

It was not possible to verify the profit figures of the like goods for the injury period by comparing the questionnaire submission to the financial statements as the financial statements do not differentiate between the like goods and goods not in scope. To verify this information, Bridon provided sales, cost, and profitability figures from its accounting system for the injury period. We recalculated the net operating profit after tax for the injury period by taking total operating profit, adjusting for tax, and filtering for profit centres related to the like goods. Our analysis identified differences which resulted in the



requirement for a revised annex to be submitted by Bridon. Given the particular circumstances it was also agreed to use profit before tax in lieu of profit after tax. The figures from the updated annex reconciled to the profitability figures from Bridon's accounting system.

Production Output

To verify the output data for the injury period, we reviewed the production volume data from the two sites that produce the like goods. We identified that Bridon had included the output from its Doncaster factory that produces wires used for the like goods in the questionnaire annex. Following our review, we informed Bridon, and it provided an updated annex which had data relating to only the two relevant sites that produce the like goods. Minor differences were identified which result from the conversion of the figures from tonnes to kilograms – as these differences are below the materiality threshold they are considered immaterial.

Capacity Utilisation

Bridon explained how they calculated capacity. Bridon was unable to provide technical documentation to showcase machine capacity due to the age of the machinery, however it provided an extract from its accounting system detailing production from two relevant sites over the past decade to evidence production capacity. We consider this reasonable evidence and are assured that the capacity figures are correct.

Inventory/stock

Bridon explained that it did not historically record its stock volume and only began recording this in 2022 but provided records of the value of its stock. We compared the value of stocks of the like goods which Bridon provided in the questionnaire submission for the injury period with the relevant financial statements and found the figures reconciled, apart from a difference in 2019 that was considered insignificant.

Employment

We obtained and reviewed Bridon's headcount data to ascertain the accuracy of the figures provided in the questionnaire annex. We identified that Bridon reported the headcount of total employees and the number of employees producing the like goods themselves in the questionnaire annex.

We recalculated the figures for employees relevant to the production of the like goods and found that these figures reconciled.

However, when comparing the figures relating to total employees we identified small differences of between 2 and 3% between the figures reported in the questionnaire



submission and the financial statements for 2019 and 2021. As a result, the figures from the financial statements will be used in place of the figures (2019 and 2021) provided in the annex when referencing total employees.

Bridon reported the mean wage for employees producing the like goods. We were able to reconcile the figures for wages with the figures in the detailed Income Statement for the injury period. Furthermore, we recalculated the productivity figures using the headcount data and the output data, and found that the figures agreed to the data provided in the annex.

No Information Provided:

Bridon was unable to provide us market share figures as it does not have reliable data of the volume/value of the like goods from other UK producers. Bridon also did not provide us with return on investment figures or cashflow for the like goods.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

We identified material differences between the figures reported for total employees in the questionnaire submission and the financial statements for 2019 and 2021. As a result, the figures from the financial statements will be used in place of the figures (2019 and 2021) provided in the annex when referencing total employees.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to injury provided by Bridon is verifiable. Based on the work done, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA in the dumping likelihood assessment, the Economic Interest Test (EIT) assessment, the injury likelihood assessment and for any other purpose within this transition review. We found that we could not have assurance over the total employee figures provided by Bridon for 2019 and 2021 as they did not reconcile with the audited accounts. Therefore, we decided that we would rely on the figures in the audited accounts as these have been verified by the external auditors.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



F. Economic Interest Test

What information was considered
<ul style="list-style-type: none"> • Injury annex 9 • Sales Listing annex 7 • Bridon Headcount spreadsheet • Employment
<i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):</i>
How the information was checked
<p>Customers</p> <p>We verified the sales transactions as part of the Sales and Price Reduction Downwards verification explained in section “D” above, and identified that the sales transactions occurred with the customers reported in the transaction by transaction (T by T) domestic sales listing annex. We did not identify any irregular transactions between Bridon and the customers for the transactions we sampled.</p> <p>Employment</p> <p>We examined the full time equivalent (FTE) employee figures provided by Bridon and received a demonstration of how they were compiled. We were satisfied that the FTE figures were accurate and reliable for employees relevant to the production of the like goods. However, as mentioned in section E of this report, when comparing the figures relating to total employees, we identified material differences between the figures reported in the questionnaire submission and the financial statements for 2019 and 2021.</p> <p>Contributors’ costs, sales, market share, the change in price of imported goods on the domestic price, and production could not be verified as Bridon were unable to provide this information or we did not have the engagement of contributors on the case.</p>
<i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):</i>
Exceptions/Findings/Adjustments
Information relating to Contributors’ costs, sales, market share, change in price of imported goods on the domestic price, and production was not provided and therefore



could not be verified. No inconsistencies were found among the information that was verified.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to the Economic Interest Test provided by Bridon is verifiable. Based on the work done, we have a reasonable level of assurance that the information provided can be treated as complete, relevant, and accurate and can therefore be used by the TRA in the dumping likelihood assessment, the Economic Interest Test (EIT) assessment, the injury likelihood assessment and for any other purpose within this transition review. Information relating to Contributors' costs, sales, market share, change in price of imported goods on the domestic price, and production was not provided and therefore could not be verified.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



Conclusions

Having completed a walkthrough as well as upwards and downwards verification of Bridon's data, we identified that the data it supplied in its questionnaire responses and annexes is verifiable. In the course of carrying out the verification, we identified a few errors in the calculations reported in some sections of the questionnaire annex. We notified Bridon of these errors and they corrected them accordingly and provided updated annexes. Following the submission of the updated annexes, we obtained a reasonable assurance that the information is complete, relevant, and accurate for the purposes of this review.

We identified that Bridon is a producer of the like goods in the UK. We noted that there was an established system for recording sales and cost transactions, and we gained an understanding of the accounting system from which it produced the data provided to the TRA for this transition review.

During the on-site verification, Bridon answered our questions when we needed clarifications. It provided the requested source documents to support the data reported in the questionnaires and annexes. We verified the information in the source documents and found it to be consistent with the data in the questionnaire submissions. Where we identified differences, Bridon either provided an explanation or updated the data.

We have obtained sufficient and appropriate evidence to conclude that the information provided by the company under all of the sections above is verifiable. Therefore, we have a reasonable level of assurance that the information is complete, relevant and accurate for the purpose of this review.



Annexes

Annex 1: Meetings

Date and duration	Type of verification	Company representatives	TRA representatives
[redacted]	<input type="checkbox"/> remote <input checked="" type="checkbox"/> on-site	<ul style="list-style-type: none">• [redacted]	<ul style="list-style-type: none">• [redacted]