

WEYBURN-BARTEL LIMITED

ACCOUNTS

for the year ended
30 SEPTEMBER 1984

CLASSIFIED

12 JUL 1985

CRO

Coopers
& Lybrand



WEYBURN-BARTEL LIMITED

Report of the directors
for the year ended 30 September 1984

1 The directors present herewith the audited accounts for the year ended 30 September 1984.

Results and activities

2 The results for the year are set out in the profit and loss account on page 4.

3 The principal activity of the company, which is unchanged from last year, is in the field of precision engineering and involves the manufacture of components for truck, tractor, automobile, marine and stationary engines.

4 On 31 December 1982 the entire share capital of the company was acquired by Cranhold Limited, which is itself a subsidiary of JP Industries Inc.

Business review and future developments

5 The company achieved a significant improvement in sales and trading results in the year ended 30 September 1984. Sales increased in both the UK and overseas, in particular the USA. However, the recovery in the farm equipment industry has still not occurred and the general level of activity in this sector of our market remains depressed.

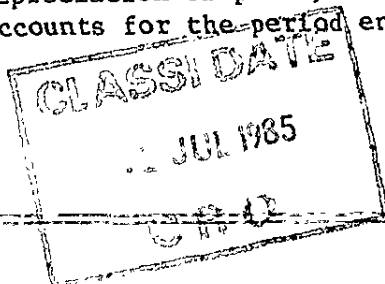
6 During the year the company has made considerable progress in terms of profitability, machine tool base, delivery, performance and quality. The integration and full utilisation of the new machine tools introduced during the year will provide us with maximum cost and flexibility benefits, simplifying production paths and increasing our capacity.

Dividends

7 The directors recommend that a dividend of £500,000 should be paid on the ordinary shares (1983 £Nil).

Changes in fixed assets

8 The movements in tangible fixed assets during the year are set out in note 10 to the accounts. An extensive programme of plant replacement and investment in new "state of the art" machine tools was undertaken in the year. The net book value of plant, machinery and equipment at 31 December 1982 was reassessed in March 1983, giving rise to a write off of £699,000 in the 1982 accounts. This reassessment was treated as a valuation and the gross value and accumulated depreciation of plant, machinery and equipment accordingly restated in the accounts for the period ended 30 September 1983.



Directors

9 The directors of the company at 30 September 1984 were:-

J Psarouthakis (USA)
J Menson (USA)
W Bartel (West Germany) (Appointed 20 July 1984)
C Campbell (Appointed 20 July 1984)

Directors' interests in shares

10 The directors, according to the register required to be kept under section 29 of the Companies Act 1967, did not have, at the beginning or end of the year any interests in shares which are required by the Act to be notified to the company.

Directors' interests in contracts

11 None of the directors had a material interest in any contract of significance to which the company was party during the year.

Employment of disabled persons

12 The company's policy is to consider disabled workers for all suitable employment vacancies and to give appropriate training assistance necessary to introduce the worker to his job and to develop his skill and capability.

Political and charitable contributions

13 The company made charitable donations during the year of £240 (1983 None). There were no political contributions (1983 None).

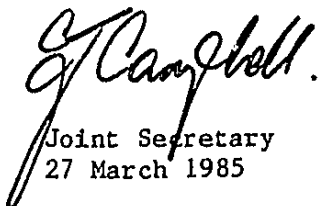
Close company provisions

14 As far as the directors are aware, the company is not a close company within the terms of the Income and Corporation Taxes Act 1970, as amended.

Auditors

15 A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the general meeting.

BY ORDER OF THE BOARD


Joint Secretary
27 March 1985

Elstead
Godalming
Surrey

Report of the auditors to the members of
WEYBURN-BARTEL LIMITED

We have audited the accounts on pages 4 to 17 in accordance with approved Auditing Standards. The accounts have been prepared under the historical cost convention as modified by the revaluation of fixed assets.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30 September 1984 and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.



Chartered Accountants
LONDON, 27 March 1985

WEYBURN-BARTEL LIMITED

Profit and loss account
for the year ended 30 September 1984

	Notes	Year ended 30 September 1984	Nine months ended 30 September 1983
		£000	£000
Turnover	2	6,076	3,490
Cost of sales		<u>4,864</u>	<u>2,995</u>
Gross profit		<u>1,212</u>	<u>495</u>
Net operating expenses:			
Distribution costs		153	87
Administrative expenses		254	198
Other operating income		<u>(19)</u>	<u>(3)</u>
		<u>388</u>	<u>282</u>
Operating profit	3	824	213
Other interest receivable and similar income	6	4	24
Interest payable and similar charges	7	<u>(36)</u>	<u>(14)</u>
Profit before taxation and exceptional charges		792	223
Exceptional charges	8	<u>-</u>	<u>(391)</u>
Profit/(loss) before taxation		792	(168)
Tax on profit/(loss) on ordinary activities	9	<u>-</u>	<u>-</u>
Profit/(loss) on ordinary activities after taxation		792	(168)
Dividend proposed		<u>500</u>	<u>-</u>
Retained profit/(loss) for the financial year		<u>292</u>	<u>(168)</u>

The notes on pages 7 to 17 form part of these accounts.

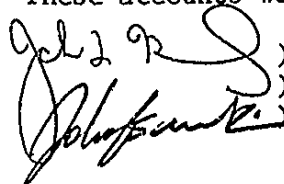
Auditors' report page 3.

WEYBURN-BARTEL LIMITED

Balance sheet - 30 September 1984

	<u>Notes</u>	<u>1984</u>		<u>1983</u>	
		£000	£000	£000	£000
FIXED ASSETS					
Tangible assets	10		2,959		2,110
CURRENT ASSETS					
Stocks	11	828		764	
Debtors	12	1,167		910	
Cash at bank and in hand		36		164	
Cash in transit	13	608		-	
		2,639		1,838	
CREDITORS: amounts falling due within one year	14	1,645		943	
NET CURRENT ASSETS			994		895
Total assets less current liabilities			3,953		3,005
Less: non-current liabilities:					
CREDITORS: amounts falling due after more than one year	15		840		184
			3,113		2,821
CAPITAL AND RESERVES					
Called up share capital	18		2,500		2,500
Revaluation reserve	19		577		583
Profit and loss account	19		36		(262)
			3,113		2,821

These accounts were approved by the board on 27 March 1985.

 Directors

The notes on pages 7 to 17 form part of these accounts.

Auditors' report page 3.

WEYBURN-BARTEL LIMITED

Statement of source and application of funds
for the year ended 30 September 1984

	Year ended 30 September 1984		Nine months ended 30 September 1983	
	£000	£000	£000	£000
SOURCE OF FUNDS				
Profit/(loss) before taxation		792		(168)
Adjustment for items not involving the movement of funds:				
Depreciation of tangible fixed assets	174		101	
Profit on sale of fixed assets	(26)		(4)	
		148		97
Funds provided by operations		940		(71)
Funds from other sources:				
Sale proceeds of fixed assets	81		21	
Obligation under finance leases	656		172	
		737		193
Total source of funds		1,677		122
APPLICATION OF FUNDS				
Taxes paid	-		238	
Purchase of fixed assets	1,078		396	
Total application of funds		(1,078)		(634)
INCREASE/(DECREASE) IN WORKING CAPITAL		599		(512)
INCREASE/(DECREASE) IN WORKING CAPITAL				
Increase/(decrease) in stocks	64		(122)	
Increase in debtors	257		110	
Increase in creditors, excluding taxation and proposed dividend	(202)		(16)	
		119		(28)
Movement in net liquid funds:				
Bank and cash balances		480		(484)
INCREASE/(DECREASE) IN WORKING CAPITAL		599		(512)

Auditors' report page 3.

Notes to the accounts - 30 September 1984Principal accounting policies1(a) Fixed assets and depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation. The basis of valuation is explained in note 10. Depreciation on plant and machinery is provided at rates varying between 10% and 33 1/3% per annum on a straight line basis on cost or valuation, depending on type of asset. Leased plant under finance leases is depreciated over 10 years. Buildings are depreciated over 30 years on cost or, where applicable, valuation.

(b) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost or net realisable value. In the case of finished goods and work in progress, cost includes all direct expenditure and production overheads based on the normal level of activity. Net realisable value is the price at which stocks can be realised in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition. Provision is made for obsolete, slow moving and defective stocks. Tools stores held by the company are valued on a base stock method.

(c) Foreign currencies

Assets and liabilities expressed in foreign currencies are translated to sterling at rates of exchange ruling at the end of the financial year.

(d) Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods delivered, less returns and allowances.

(e) Deferred taxation

Provision is made for deferred tax at the effective rate of taxation applicable in the period in which the timing differences arise (the "deferral method"), except in respect of tax deferrals which can reasonably be expected to continue for the future.

No provision is made for the taxation which would arise on the disposal of revalued properties unless a significant sale of such properties is foreseen.

(f) Pension scheme

The company has contracted out of the State Pension Scheme and its pension arrangements are provided through a managed fund. Contributions are made in accordance with the rates and premiums calculated by the actuaries to the fund and charged to the profit and loss account on an accruals basis.

WEYBURN-BARTEL LIMITEDNotes to the accounts - 30 September 1984 continued(g) Subsidiary company

The company's only subsidiary is E D Parts Limited, a dormant company. As the company is a wholly owned subsidiary of Cranhold Limited, which is incorporated in the United Kingdom, it is not required to produce consolidated accounts.

Turnover

2 A geographical analysis of the company's sales is set out below:-

	Year ended 30 September 1984	Nine months ended 30 September 1983
	£000	£000
United Kingdom	4,319	2,669
Europe	765	582
North America	903	233
Rest of the world	89	6
	<u>6,076</u>	<u>3,490</u>

Operating profit

3 Operating profit is stated after charging/(crediting):

	Year ended 30 September 1984	Nine months ended 30 September 1983
	£000	£000
Auditors' remuneration	17	17
Hire of plant and machinery	15	36
Depreciation of tangible fixed assets (owned)	136	89
Depreciation of leased plant under finance leases	38	12
Directors' emoluments (see note 4) including pension contributions	4	44
(Gain) on sale of fixed assets	<u>(26)</u>	<u>(4)</u>

WEYBURN-BARTEL LIMITEDNotes to the accounts - 30 September 1984 continuedDirectors' emoluments

4 Emoluments of directors of Weyburn-Bartel Limited (including pension contributions) were as follows:-

	Year ended 30 September 1984	Nine months ended 30 September 1983
	£000	£000
For management services	4	21
Compensation for loss of office	-	23
	<u>4</u>	<u>23</u>

Directors emoluments, disclosed in accordance with sections 6 and 7 of the Companies Act 1967, and excluding pension contributions, are as follows:-

	Year ended 30 September 1984	Nine months ended 30 September 1983
Emoluments of the chairman	Nil	Nil
Emoluments of the highest paid director	<u>£3,828</u>	<u>£18,797</u>

Number of directors whose emolument were within the ranges:-

	<u>Number</u>	<u>Number</u>
£Nil to £ 5,000	4	2
£15,001 to £20,000	-	1
	<u>-</u>	<u>1</u>
Directors' emoluments waived	-	-
	<u>-</u>	<u>-</u>

Three of the directors are employed by other group companies and receive remuneration for their services to the group as a whole.

WEYBURN-BARTEL LIMITEDNotes to the accounts - 30 September 1984 continuedEmployee information

- 5(a) The average number of persons employed by the company, including executive directors, during the year is analysed below:

	Year ended 30 September 1984	Nine months ended 30 September 1983
	Number	Number
By type of work:		
Production	184	183
Selling, distribution and administration	17	17
	<u>201</u>	<u>200</u>

- (b) Company employment costs for all employees, including executive directors:-

	Year ended 30 September 1984	Nine months ended 30 September 1983
	£000	£000
Aggregate gross wages and salaries paid	1,927	1,268
Employer's national insurance contributions	201	133
Employer's pension contributions under the company pension scheme	8	7
Total direct costs of employment	<u>2,136</u>	<u>1,408</u>

Other interest receivable and similar income

6

	Year ended 30 September 1984	Nine months ended 30 September 1983
	£000	£000
Interest receivable on loans to group companies	-	22
Other interest receivable	4	2
	<u>4</u>	<u>24</u>

WEYBURN-BARTEL LIMITEDNotes to the accounts - 30 September 1984 continuedInterest payable and similar charges

7

	Year ended 30 September 1984	Nine months ended 30 September 1983
	£000	£000
Interest payable on sums wholly repayable within five years:		
Bank loans and overdrafts	6	6
Finance leases	30	8
	<u>36</u>	<u>14</u>

Exceptional charges

8 Exceptional charges comprise the following:-

	Year ended 30 September 1984	Nine months ended 30 September 1983
	£000	£000
Costs of rationalisation	-	391
	<u>-</u>	<u>391</u>

Taxation

9 There is no charge for taxation for the year due to the availability of tax losses brought forward. Tax losses carried forward at 30 September 1984 amounted to approximately £676,000.

WEYBURN-BARTEL LIMITED

Notes to the accounts - 30 September 1984 continued

Tangible fixed assets

10	Freehold land and buildings £000	Plant and machinery £000	Leased plant £000	Total £000
Cost or valuation (see (a) below)				
At 1 October 1983	1,257	773	238	2,268
Additions	-	123	955	1,078
Disposals	-	(96)	-	(96)
At 30 September 1984	1,257	800	1,193	3,250
Depreciation				
At 1 October 1983	23	123	12	158
Charge for year	11	126	37	174
Disposals	-	(41)	-	(41)
At 30 September 1984	34	208	49	291
Net book value at 30 September 1984	1,223	592	1,144	2,959
Net book value At 30 September 1983	1,234	650	226	2,110

(a) The amount of freehold land and buildings and plant and machinery reflects certain revaluations (see note (c)). The historical cost and related accumulated depreciation of tangible fixed assets are set out below:-

	Freehold land and buildings £000	Plant and machinery £000	Leased plant £000	1984 Total £000
Cost	212	3,317	1,193	4,722
Less: Accumulated depreciation	127	2,391	49	2,567
Net book value at 30 September 1984	85	926	1,144	2,155
Net book value at 30 September 1983	91	1,211	226	1,528

WEYBURN-BARTEL LIMITED

Notes to the accounts - 30 September 1984 continued

- (b) Depreciation has not been charged on freehold land, which is stated at its revalued amount of £921,100.
- (c) In May 1982 the company's freehold properties were revalued on a depreciated replacement cost basis by Ralph Wenger and Company, real estate appraisers and consultants of Spring Lake, Michigan, USA. This disclosed a surplus of £604,000 over the net book value which was incorporated in the 1982 accounts.

In March 1983, plant, machinery and equipment were revalued as at 31 December 1982 on the basis of the prevailing market conditions in the engineering industry. This reassessment gave rise to a write off of £699,000 in the 1982 accounts, which amount was reflected as additional accumulated depreciation. In 1983, the amount of cost and accumulated depreciation of tangible fixed assets were reclassified to reflect this valuation at its net amount of £575,000.

Stocks

11	<u>1984</u>	<u>1983</u>
	£000	£000
Raw materials and consumables	246	250
Work in progress	353	306
Finished goods and goods for resale	<u>229</u>	<u>208</u>
	<u>828</u>	<u>764</u>

Debtors

12	<u>1984</u>	<u>1983</u>
	£000	£000
Trade debtors	880	833
Amounts owed by group companies (holding company and fellow subsidiaries)	281	50
Other debtors	-	15
Prepayments and accrued income	<u>6</u>	<u>12</u>
	<u>1,167</u>	<u>910</u>

Cash in transit

13 This comprises cash in transit of £116,000 from another group company and £492,000 from a leasing company in respect of the sale and lease-back of certain plant and machinery. Both amounts were received shortly after the year end.

WEYBURN-BARTEL LIMITED

Notes to the accounts - 30 September 1984 continuedCreditors: amounts falling due within one year

14	<u>1984</u>	<u>1983</u>
	£000	£000
Obligations under finance leases	220	41
Trade creditors	495	362
Amounts owed to group companies (holding company and fellow subsidiaries)	48	81
Other creditors including taxation and social security (see below)	169	141
Accruals and deferred income	213	247
Costs of rationalisation	-	71
Proposed dividend	500	-
	<u>1,645</u>	<u>943</u>

Other creditors, including taxation and social security, comprise:-

	<u>1984</u>	<u>1983</u>
	£000	£000
VAT, social security taxes and PAYE withheld	155	141
Other	14	-
	<u>169</u>	<u>141</u>

Creditors: amounts falling due after more than one year

15	<u>1984</u>	<u>1983</u>
	£000	£000
Amounts owed to subsidiary company	12	12
Obligations under finance leases (see note 21)	828	172
	<u>840</u>	<u>184</u>

Pensions and similar obligations

16 The company staff scheme is contributory (2%) and provides all staff employees with a pension on retirement. At the last actuarial valuation in 1983, the scheme was found to be overfunded. The 1983 and 1984 charge to profits was consequently reduced. Yearly valuations will be made to monitor the level of funding.

WEYBURN-BARTEL LIMITED

Notes to the accounts - 30 September 1984 continued

Deferred taxation

17 No provision for deferred taxation has been made as tax losses carried forward are in excess of the remaining timing differences. The full potential liability for deferred taxation is analysed as follows:-

	<u>1984</u>	<u>1983</u>
	£000	£000
Excess of capital allowances over depreciation	250	333
Other timing differences	<u>28</u>	<u>(10)</u>
	278	323
Losses available for offset against future tax liabilities	<u>(278)</u>	<u>(323)</u>
	<u>-</u>	<u>-</u>

As the directors have no present intention of disposing of any significant properties, no provision has been made for the taxation that would arise in the event of their disposal at the amount of their revaluation in 1982 (Note 10). If, however, all properties had been sold at their balance sheet value and the proceeds had not been reinvested in similar assets, the tax liability would not have exceeded £170,000.

Called up share capital

	<u>1984</u>		<u>1983</u>	
	<u>Authorised</u>	<u>Allotted, called up and fully paid</u>	<u>Authorised</u>	<u>Allotted, called up and fully paid</u>
	£000	£000	£000	£000
18 Ordinary shares of 50p each	2	2	2	2
Deferred shares of 50p each	<u>2,498</u>	<u>2,498</u>	<u>2,498</u>	<u>2,498</u>
	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>

WEYBURN-BARTEL LIMITED

Notes to the accounts - 30 September 1984 continued

Reserves

19

	<u>Revaluation reserve</u>	<u>Profit and loss account</u>
	<u>1984</u>	<u>1984</u>
	<u>£000</u>	<u>£000</u>
At 1 October 1983	583	(262)
Retained profit for the year	-	292
Revaluation surplus realised	(6)	6
	<u>577</u>	<u>36</u>
At 30 September 1984	<u>577</u>	<u>36</u>

Capital commitments

20

	<u>1984</u>	<u>1983</u>
	<u>£000</u>	<u>£000</u>
Contracted for, but not provided in these accounts	5	595
Authorised but not contracted for	-	95
	<u>5</u>	<u>690</u>

Leasing commitments

21 The future minimum lease payments to which the company is committed as at 30 September 1984 under finance leases and non-cancellable operating leases are as follows:-

	<u>Finance leases</u>	<u>Operating leases</u>
	<u>£000</u>	<u>£000</u>
Year ending 30 September:		
1985	271	13
1986	271	12
1987	271	6
1988	237	2
1989	120	-
	<u>1,170</u>	<u>33</u>
Less: finance charges allocated to future periods	122	-
	<u>1,048</u>	<u>33</u>

WEYBURN-BARTEL LIMITEDNotes to the accounts - 30 September 1984 continuedUltimate holding company

22 The company's ultimate holding company at 30 September 1984 was J P Industries Inc., located in Ann Arbor, Michigan, United States of America.

Reservation of title

23 Part of the amounts owing to trade creditors may be secured by the reservation by the supplier of legal title to the goods supplied and to the proceeds of their sale. The amount secured in this way depends on the legal interpretation of individual contracts and cannot readily be determined.