

WEYBURN-BARTEL LIMITED

ACCOUNTS
for the nine months
ended
30 SEPTEMBER 1983

Coopers
& Lybrand



WEYBURN-BARTEL LIMITED

Report of the directors
for the nine months ended 30 September 1983

1 The directors present herewith the audited accounts for the nine months ended 30 September 1983.

Results and activities

2 The results for the nine months 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. Prior to 31 December 1982 the ultimate holding company was the British Petroleum Company plc and comparative figures included in these accounts for the year then ended reflect the results of trading under the ownership of that company.

Business review and future developments

5 During the nine months ended 30 September 1983 the company incurred exceptional costs relating to the reorganisation and rationalisation of facilities. This reorganisation, which is now complete, has improved the company's operating efficiency and a reasonable trading result was achieved for the period.

6 The company has received new orders which are a significant development of its customer base and should therefore improve sales and trading results over the next year. However, the general economic climate, which has been with us for some time, and in particular the difficult situation in the automotive, agricultural and construction equipment markets, continue to depress traditional underlying business levels.

Dividends

7 The directors recommend that no dividends should be paid (1982 - £1,600,000).

Changes in fixed assets

8 The movements in tangible fixed assets during the period are set out in note 11 to the accounts. An extensive programme of plant replacement and investment in new "state of the art" machine tools was undertaken in the period and will continue during 1984. 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 has been treated as a valuation and the gross value and accumulated depreciation of plant, machinery and equipment restated accordingly.



Directors

9 The directors of the company at 30 September 1983 who have been directors for the whole of the nine months ended on that date were:-

J Psarouthakis (USA)

J Menson (USA)

Mr S Finch who was reappointed to the board on 4 February 1983 resigned from the board on 30 September 1983.

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 period 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 financial period.

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 did not make any charitable donations during the period (1982 - £280). There were no political contributions (1982 - None).

Close company provision

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 1978, 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

6 February 1984

Elstead
Godalming
Surrey

WEYBURN-BARTEL LIMITED

Report of the auditors to the members

We have audited the accounts on pages 4 to 18 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 1983 and of its loss and source and application of funds for the nine months then ended and comply with the Companies Acts 1948 to 1981.



Chartered Accountants
LONDON, 6 February 1984

WEYBURN-BARTEL LIMITED

Profit and loss account
for the nine months ended 30 September 1983

	Notes	Nine months ended 30 September 1983	Year ended 31 December 1982
		£'000	£'000
Turnover	2	3,490	5,485
Cost of sales		<u>2,995</u>	<u>4,902</u>
Gross profit		<u>495</u>	<u>583</u>
Net operating expenses:			
Distribution costs		87	177
Administrative expenses		198	467
Other operating income		<u>(3)</u>	<u>(15)</u>
		<u>282</u>	<u>629</u>
Operating profit/(loss)	3	213	(46)
Other interest receivable and similar income	6	24	625
Interest payable and similar charges	7	<u>(14)</u>	<u>-</u>
Profit before taxation and exceptional charges		223	579
Exceptional charges	8	<u>(391)</u>	<u>(1,503)</u>
Loss before taxation		(168)	(924)
Tax on loss on ordinary activities	9	<u>-</u>	<u>(126)</u>
Loss on ordinary activities after taxation		(168)	(1,050)
Extraordinary income less tax	10	<u>-</u>	<u>808</u>
		(168)	(242)
Dividend paid		<u>-</u>	<u>1,600</u>
Loss for the financial period		<u>(168)</u>	<u>(1,842)</u>

The notes on pages 7 to 18 form part of these accounts

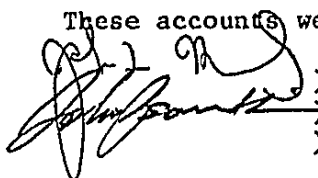
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WEYBURN-BARTEL LIMITED

Balance sheet - 30 September 1983

	<u>Notes</u>	<u>30 September 1983</u>		<u>31 December 1982</u>	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	11		2,110		1,832
CURRENT ASSETS					
Stocks	12	764		886	
Debtors	13	910		800	
Cash at bank and in hand		164		648	
		<u>1,838</u>		<u>2,334</u>	
CREDITORS: amounts falling due within one year	14	943		1,165	
NET CURRENT ASSETS			895		1,169
Total assets less current liabilities			3,005		3,001
Less: non-current liabilities:					
CREDITORS: amounts falling due after more than one year	15		184		12
			<u>2,821</u>		<u>2,989</u>
CAPITAL AND RESERVES					
Called up share capital	18		2,500		2,500
Revaluation reserve	19		583		604
Profit and loss account	19		(262)		(115)
			<u>2,821</u>		<u>2,989</u>

These accounts were approved by the board on 6 February 1984


 Directors

The notes on pages 7 to 18 form part of these accounts

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WEYBURN-BARTEL LIMITED

6

Statement of source and application of funds
for the nine months ended 30 September 1983

SOURCE OF FUNDS	Nine months ended 30 September 1983		Year ended 31 December 1982	
	£'000	£'000	£'000	£'000
Sale proceeds of fixed assets	21		44	
Disposal of investments in subsidiary companies	-		2,136	
Obligation under finance leases	<u>172</u>		<u>-</u>	
Total source of funds		193		2,180
APPLICATION OF FUNDS				
Loss before taxation	(168)		(924)	
Adjustment for items not involving the movement of funds:				
Depreciation of tangible fixed assets	101		241	
Amount written off in respect of plant and machinery	-		699	
Profit on sale of fixed assets	<u>(4)</u>		<u>(26)</u>	
Funds used in operations	(71)		(10)	
OTHER APPLICATIONS OF FUNDS				
Dividend paid	-		(1,600)	
Tax paid	(238)		(606)	
Purchase of fixed assets	<u>(396)</u>		<u>(224)</u>	
Total application of funds		(705)		(2,440)
Decrease in working capital		<u>(512)</u>		<u>(260)</u>
DECREASE IN WORKING CAPITAL				
(Decrease) in stocks	(122)		(179)	
Increase/(decrease) in debtors	110		(1,686)	
(Increase)/decrease in current creditors	<u>(16)</u>		<u>1,491</u>	
Movement in net liquid funds:		(28)		(374)
Bank and cash balances		<u>(484)</u>		<u>114</u>
		<u>(512)</u>		<u>(260)</u>

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WEYBURN-BARTEL LIMITEDNotes to the accounts - 30 September 1983Principal 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 11. 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 period.

(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 sale of the 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 1983 - continuedPrincipal accounting policies - continued1(g) Subsidiary companies

On 23 December 1982 the company sold its shares in all of its subsidiaries, with the exception of a dormant subsidiary, E D Parts Limited. 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:-

	Nine months ended 30 September 1983	Year ended 31 December 1982
	£'000	£'000
United Kingdom	2,669	3,712
Europe (other than Scandinavia)	248	847
Scandinavia	334	430
North America	233	487
Rest of the World	6	9
	<u>3,490</u>	<u>5,485</u>

Operating profit/(loss)

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

	Nine months ended 30 September 1983	Year ended 31 December 1982
	£'000	£'000
Auditors' remuneration	17	14
Hire of plant and machinery	36	79
Depreciation of tangible fixed assets (owned)	89	241
Depreciation of leased plant under finance leases	12	-
Directors' emoluments (see note 4) including pension contributions	44	73
(Gain) on sale of fixed assets	(4)	(26)
	<u></u>	<u></u>

WEYBURN-BARTEL LIMITED

Notes to the accounts - 30 September 1983 - continued

Directors' emoluments

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

	Nine months ended 30 September 1983	Year ended 31 December 1982
	£'000	£'000
As directors	-	-
For management services	21	43
Compensation for loss of office	23	30
	<u> </u>	<u> </u>

One former executive director received a pension from the company amounting to £2,169 (1982 £2,769).

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

	Nine months ended 30 September 1983	Year ended 31 December 1982
Emoluments of the chairman	Nil	Nil
Emoluments of the highest paid director	<u>£18,797</u>	<u>£22,770</u>

Number of directors (excluding those above) whose emolument were within the ranges:-

	<u>Number</u>	<u>Number</u>
£Nil to £ 5,000	-	6
£10,001 to £15,000	-	1
£15,001 to £20,000	1	-
	<u> </u>	<u> </u>
Directors' emoluments waived	-	-
	<u> </u>	<u> </u>

WEYBURN-BARTEL LIMITED

Notes to the accounts - 30 September 1983 - continued

Employee information

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

	Nine months ended 30 September 1983	Year ended 31 December 1982
	Number	Number
By type of work:		
Production	155	232
Selling, distribution and administration	45	52
	<u>200</u>	<u>284</u>

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

	Nine months ended 30 September 1983	Year ended 31 December 1982
	£'000	£'000
Aggregate gross wages and salaries paid	1,268	2,310
Employer's national insurance contributions	133	263
Employer's pension contributions under the company pension scheme	7	84
Total direct costs of employment	<u>1,408</u>	<u>2,657</u>

Other interest receivable and similar income

6

	Nine months ended 30 September 1983	Year ended 31 December 1982
	£'000	£'000
Interest receivable:		
On loans to former affiliated companies	-	103
On loans to group companies	22	-
Other interest receivable	2	25
Waiver of interest payable to a former affiliated company	-	497
	<u>24</u>	<u>625</u>

WEYBURN-BARTEL LIMITED

Notes to the accounts - 30 September 1983 - continuedInterest payable and similar charges

7	Nine months ended 30 September 1983	Year ended 31 December 1982
	£'000	£'000
Interest payable on sums wholly repayable within five years:		
Bank loans and overdrafts	6	-
Finance leases	8	-
	<u>14</u>	<u>-</u>

Exceptional charges

8 Exceptional charges comprise the following:-

	Nine months ended 30 September 1983	Year ended 31 December 1982
	£'000	£'000
Costs of rationalisation	391	544
Amount written off in respect of plant, machinery and equipment	-	699
Effect of refinement on basis of valuation of stocks	-	260
	<u>391</u>	<u>1,503</u>

WEYBURN-BARTEL, LIMITEDNotes to the accounts - 30 September 1983 - continuedTaxation

9 The (charge)/credit for taxation is made up as follows:-

	Nine months ended 30 September 1983	Year ended 31 December 1982
	£'000	£'000
On the loss for the year:		
United Kingdom corporation tax at 52% (1982 - 52%)	-	287
Adjustment in respect of prior years:		
United Kingdom taxation	-	(413)
	-	(126)
	<u>-</u>	<u>(126)</u>

Extraordinary income

10

	Nine months ended 30 September 1983	Year ended 31 December 1982
	£'000	£'000
Profit on sale of shares in subsidiary companies	-	1,095
Taxation thereon	-	287
	-	808
	<u>-</u>	<u>808</u>

WEYBURN-BARTEL LIMITED

Notes to the accounts - 30 September 1983 - continued

Tangible fixed assets

11

	Freehold land and buildings £'000	Plant and machinery £'000	Leased plant £'000	Total £'000
<u>Cost or valuation</u> (see (a) below)				
At 1 January 1983	1,272	3,542	-	4,814
Adjustment arising on valuation	-	(2,899)	-	(2,899)
Additions	-	158	238	396
Disposals	(15)	(28)	-	(43)
At 30 September 1983	1,257	773	238	2,268
<u>Depreciation</u>				
At 1 January 1983	15	2,967	-	2,982
Adjustment arising on valuation	-	(2,899)	-	(2,899)
Charge for period	8	81	12	101
Disposals	-	(26)	-	(26)
At 30 September 1983	23	123	12	158
Net book value At 30 September 1983	1,234	650	226	2,110
Net book value At 31 December 1982	1,257	575	-	1,832

WEYBURN-BARTEL LIMITED

Notes to the accounts - 30 September 1983 - continued

Tangible fixed assets - continued

- (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	1983 Total £'000
Cost	212	3,533	238	3,983
Less: Accumulated depreciation	<u>121</u>	<u>2,322</u>	<u>12</u>	<u>2,455</u>
Net book value				
At 30 September 1983	<u>91</u>	<u>1,211</u>	<u>226</u>	<u>1,528</u>
Net book value				
At 31 December 1982	<u>94</u>	<u>1,274</u>	<u>-</u>	<u>1,368</u>

- (b) Depreciation has not been charged on freehold land, which is stated at its revalued amount of £921,100 (1982 £928,600)
- (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 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.

WEYBURN-BARTEL LIMITED

Notes to the accounts - 30 September 1983 - continuedStocks

12	<u>1983</u>	<u>1982</u>
	£'000	£'000
Raw materials and consumables	250	257
Work in progress	306	231
Finished goods and goods for resale	208	398
	<u>764</u>	<u>886</u>

Debtors

13	<u>1983</u>	<u>1982</u>
	£'000	£'000
Trade debtors	833	730
Amounts owed by group companies (holding company and fellow subsidiaries)	50	6
Other debtors	15	56
Prepayments and accrued income	12	8
	<u>910</u>	<u>800</u>

Creditors: amounts falling due within one year

14	<u>1983</u>	<u>1982</u>
	£'000	£'000
Obligations under finance leases	41	-
Trade creditors	609	509
Amounts owed to group companies (holding company and fellow subsidiaries)	81	19
Other creditors including taxation and social security (see below)	141	416
Costs of rationalisation	71	221
	<u>943</u>	<u>1,165</u>

Notes to the accounts - 30 September 1983 - continuedCreditors: amounts falling due within one year - continued

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

	<u>1983</u>	<u>1982</u>
	<u>£'000</u>	<u>£'000</u>
United Kingdom corporation tax for year ended 31 December 1981	-	101
ACT payable	-	137
	-	<u>238</u>
VAT, social security taxes and PAYE withheld	141	178
	<u>141</u>	<u>416</u>

Creditors: amounts falling due after more than one year

<u>15</u>	<u>1983</u>	<u>1982</u>
	<u>£'000</u>	<u>£'000</u>
Amounts owed to subsidiary company	12	12
Obligations under finance leases (see note 21)	172	-
	<u>184</u>	<u>12</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 charge to profits has consequently been reduced. A further valuation will be made in 1984 to monitor the level of funding.

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>1983</u>	<u>1982</u>
	<u>£'000</u>	<u>£'000</u>
Excess of capital allowances over depreciated assets	333	294
Other timing differences	(10)	(124)
	<u>323</u>	<u>170</u>
Losses available for offset against future tax liabilities	(323)	(170)
	<u>-</u>	<u>-</u>

WEYBURN-BARTEL LIMITED

Notes to the accounts - 30 September 1983 - continuedDeferred taxation - continued

17 As the directors have no present intention of disposing of any of the company's properties, no provision has been made for the taxation which would arise in the event of their disposal at the amount of the revaluation in 1982. 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

18	1983		1982	
	Authorised £'000	Issued £'000	Authorised £'000	Issued £'000
Ordinary shares of 50p each	2	2	2	2
Deferred shares of 50p each	2,498	2,498	2,498	2,498
	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>

Reserves

19	Revaluation reserve	Profit and loss account
	1983 £'000	1983 £'000
At 1 January 1983	604	(115)
(Loss) for the period	-	(168)
Revaluation surplus realised	<u>(21)</u>	<u>21</u>
At 30 September 1983	<u>583</u>	<u>(262)</u>

Capital commitments

20	1983 £'000	1982 £'000
Contracted for, but not provided in these accounts	595	141
Authorised but not contracted for	<u>95</u>	<u>148</u>
	<u>690</u>	<u>289</u>

WEYBURN-BARTEL LIMITEDNotes to the accounts - 30 September 1983 - continuedLeasing commitments

21 The future minimum lease payments to which the company is committed as at 30 September 1983 under finance leases and non-cancellable operating leases are as follows:-

	<u>Finance leases</u> £'000	<u>Operating leases</u> £'000
Year ending 30 September:		
1984	58	24
1985	58	27
1986	58	21
1987	58	14
1988	24	11
	<u>256</u>	<u>97</u>
Less: finance charges allocated to future periods	43	-
	<u>213</u>	<u>97</u>

Ultimate holding company

22 The company's ultimate holding company at 30 September 1983 was J P Industries Inc., located in Ann Arbor, Michigan, United States of America. Prior to 31 December 1982 the ultimate holding company was the British Petroleum Company plc and comparative figures included in these accounts for the year then ended reflect the results of trading under the ownership of that company.

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.