

145

WEYBURN-BARTEL LIMITED  
(Formerly Carborundum Engine Components Limited)

REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 1981

1. The directors present herewith the audited accounts for the year ended 31st December 1981.

Group Results

2. The consolidated profit and loss account for the year and statement of consolidated retained profits are set out on page 4.

Dividends

3. The directors recommend that no dividends should be paid.

Activities

4. The group are precision engineers engaged in the manufacture of components for truck, tractor, automobile, marine and stationary engines.
5. On 4th June 1981 the company's former ultimate holding company, The Kennecott Corporation, was taken over by The Standard Oil Company (Ohio) which is itself a subsidiary of The British Petroleum Company plc.

Change of Name

6. On 1st January 1981 the company changed its name to Weyburn-Bartel Limited.

Exports

7. The value of exports from the United Kingdom by the group during the year amounted to £2,272,000 (1980 - £2,326,000).

Changes in Fixed Assets

8. The changes in fixed assets during the year are set out in note 8 to the accounts.

Directors

9. The directors of the company at 31st December 1981 were:-

E.J. Finn	{U.S.A.}
T.J. Campbell	{U.S.A.}
D.F.L. Hope	
F.M.O'Trien	
H.A. Kirk	
S.L. Finch	(Appointed 1st October 1981)

With the exception of Mr. S.L. Finch, who was appointed to the board as from 1st October 1981, all the above were directors of the company throughout the year.

10. Mr. D.F.L. Hope resigned from the board on 1st January 1982.



Directors' Interests in Shares

11. 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.

Average Number of Employees and Their Remuneration

12. The average number of persons employed by the group in the United Kingdom during the year was 347 (1980 - 508). The aggregate remuneration paid or payable in respect of that period to these employees amounted to £2,852,000 (1980 - £2,973,000).

Employment of Disabled Persons

13. The group'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

14. During the year the group made charitable donations amounting to £316 (1980 £285). There were no political contributions (1980 - None).

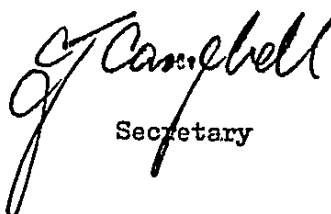
Close Company Provision

15. 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

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

BY ORDER OF THE BOARD

  
Secretary

4th May 1982  
Elstead,  
Godalming,  
Surrey.

WEYBURN-BARTEL LIMITED  
(Formerly Carborundum Engine Components Limited)

REPORT OF THE AUDITORS TO THE MEMBERS

1. We have audited the accounts on pages 4 to 14, which have been prepared under the historical cost convention. Our audit was conducted in accordance with approved Auditing Standards except that the scope of our work was limited by the matter referred to below.
2. As stated in paragraphs 2 and 3 of our report on the consolidated accounts for the year ended 31st December 1980 the unaudited accounts of the company's overseas subsidiaries for that period were included in the consolidated accounts. Since audited accounts were not available for these subsidiaries, we did not obtain all the information and explanations we considered necessary. Because of the significance of the figures in the accounts of the overseas subsidiaries, we were unable to form an opinion as to whether the accounts gave a true and fair view of the state of affairs of the group at 31st December 1980 or of the profit or source and application of funds of the group for the year then ended or whether the accounts complied with the Companies Acts 1948 to 1980. As a result of the uncertainty concerning the amounts included in the consolidated balance sheet as at 31st December 1980 we have been unable to satisfy ourselves that the profit of the group for the year ended 31st December 1981 is fairly stated.
3. Subject to any adjustment that might have arisen in respect of the matter referred to in paragraph 2 above, in our opinion, the accounts give a true and fair view of the state of affairs of the group at 31st December 1981 and of profit and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1981.
4. The accounts do not contain the current cost accounts required by Statement of Standard Accounting Practice No. 16.



LONDON, 4th May 1982

Chartered Accountants

WEYBURN-BARTEL LIMITED  
 (Formerly Carborundum Engine Components Limited)

CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 1981

	<u>Notes</u>	<u>1981</u> <u>£'000</u>	<u>1980</u> <u>£'000</u>
TURNOVER	2	9,948	9,930
PROFIT/(LOSS) BEFORE TAXATION	3	1,340	(284)
TAXATION	6	(76)	188
PROFIT/(LOSS) AFTER TAXATION AND BEFORE EXTRAORDINARY ITEMS		1,264	(96)
EXTRAORDINARY ITEMS	7	-	203
RETAINED PROFIT FOR THE YEAR		1,264	107
MOVEMENT IN RESERVES			
RESERVES AT BEGINNING OF YEAR		1,272	1,470
RETAINED PROFIT FOR YEAR		1,264	107
EFFECT OF CHANGES IN EXCHANGE RATES		122	(335)
RESERVES AT END OF YEAR		2,628	1,242

The notes on pages 8 to 14 form part of these accounts.

Auditors' report - page 3.

WEYBURN-BARTEL LIMITED  
(Formerly Carborundum Engine Components Limited)

CONSOLIDATED BALANCE SHEET  
AS AT 31ST DECEMBER 1981

		1981		1980	
	Notes	£'000	£'000	£'000	£'000
ASSETS EMPLOYED					
FIXED ASSETS					
	8				
Properties		1,177		1,166	
Plant		<u>2,821</u>		<u>2,742</u>	
			3,998		3,908
AFFILIATED COMPANIES	10		(329)		(1,219)
CURRENT ASSETS					
Stock and work in progress	11	1,617		1,681	
Debtors and prepayments		1,792		1,772	
Cash and bank balances		<u>676</u>		<u>408</u>	
		<u>4,085</u>		<u>3,861</u>	
CURRENT LIABILITIES					
Creditors and accruals		1,523		1,835	
Provision for rationalisation		251		-	
Taxation		579		51	
Bank overdrafts		<u>8</u>		<u>-</u>	
		<u>2,361</u>		<u>1,886</u>	
NET CURRENT ASSETS					
			1,724		1,975
			<u>5,393</u>		<u>4,664</u>
FINANCED BY					
SHARE CAPITAL	12		2,498		2,498
RESERVES			<u>2,628</u>		<u>1,242</u>
SHAREHOLDERS' FUNDS			5,126		3,740
DEFERRED TAXATION	14		<u>267</u>		<u>924</u>
			<u>5,393</u>		<u>4,664</u>

The notes on pages 8 to 14 form part of these accounts.

Auditors' report - page 3.

**WEYBURN-BARTEL LIMITED**  
(Formerly Carborundum Engine Components limited)

**BALANCE SHEET AS AT 31ST DECEMBER 1981**

	Notes	1981		1980	
		£'000	£'000	£'000	£'000
<b>ASSETS EMPLOYED</b>					
<b>FIXED ASSETS</b>	8				
Properties		676		685	
Plant		<u>1,286</u>		<u>1,399</u>	
			1,962		2,084
<b>SUBSIDIARY COMPANIES</b>	9		1,044		1,543
<b>AFFILIATED COMPANIES</b>	10		397		(984)
<b>CURRENT ASSETS</b>					
Stock and work in progress	11	1,065		1,253	
Debtors and prepayments		1,000		1,249	
Cash and bank balances		<u>534</u>		<u>270</u>	
		<u>2,599</u>		<u>2,772</u>	
<b>CURRENT LIABILITIES</b>					
Creditors and accruals		1,093		1,434	
Provision for rationalisation		251		-	
Taxation		<u>431</u>		<u>-</u>	
		<u>1,775</u>		<u>1,434</u>	
<b>NET CURRENT ASSETS</b>			824		1,338
			<u>4,227</u>		<u>3,981</u>
<b>FINANCED BY</b>					
<b>SHARE CAPITAL</b>	12		2,498		2,498
<b>RESERVES</b>	13		<u>1,729</u>		<u>734</u>
<b>SHAREHOLDERS' FUNDS</b>			4,227		3,232
<b>DEFERRED TAXATION</b>	14		-		749
			<u>4,227</u>		<u>3,981</u>

*Simon Finch*  
*[Signature]*

} Directors

The notes on pages 8 to 14 form part of these accounts.

Auditors' report - page 3.

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31ST DECEMBER 1981

	1981		1980	
	£'000	£'000	£'000	£'000
<b>SOURCE OF FUNDS</b>				
Profit/(loss) before taxation	1,340		(284)	
Extraordinary items before taxation	<u>-</u>		<u>423*</u>	
		1,340		139
<b>ADJUSTMENTS FOR ITEMS NOT INVOLVING MOVEMENTS OF FUNDS</b>				
Depreciation	529		569	
Effects of changes in exchange rates	<u>17</u>		<u>(45)</u>	
		546		524
<b>FUNDS FROM OTHER SOURCES</b>				
Disposals of fixed assets		9		943*
<b>APPLICATION OF FUNDS</b>				
Taxes paid	221		132	
Purchase of fixed assets	507		850	
Affiliated and subsidiary companies	<u>890</u>		<u>253</u>	
		(1,618)		(1,235)
		<u>277</u>		<u>371</u>
<b>MOVEMENT IN WORKING CAPITAL</b>				
Decrease in stock and work in progress	(64)		(774)*	
Increase/(decrease) in debtors and prepayments	20		(908)*	
Decrease in creditors, accruals and provisions	<u>61</u>		<u>646</u>	
		17		(1,036)
<b>MOVEMENT IN NET LIQUID FUNDS</b>				
Increase/(decrease) in cash and bank balances	268		(93)	
(Increase)/decrease in bank overdrafts	<u>(8)</u>		<u>1,500</u>	
		260		1,407
		<u>277</u>		<u>371</u>
<b>*SUMMARY OF EFFECTS OF DISPOSAL OF ASSETS OF CARBORUNDUM PRECISION COMPONENTS DIVISION</b>	£'000			£'000
Net assets disposed of:		Discharged by:		
Fixed assets	791	Cash received	2,162	
Stock and work in progress	514	Extraordinary profit	(498)	
Debtors and prepayments	797	before taxation		
Creditors and accruals	<u>(438)</u>			
	<u>1,664</u>			<u>1,664</u>

WEYBURN-BARTELL LIMITED  
(Formerly Carborundum Engine Components Limited)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1981

1. Principal Accounting Policies

(a) Basis of Consolidation

The consolidated profit and loss account and balance sheet include the accounts of the parent company and its subsidiary companies made up to the end of the financial period. Where the accounting practices of subsidiaries differ from the group's accounting policies, appropriate adjustments are made on consolidation in order to present group accounts on a uniform basis. Inter-group sales and profits are eliminated on consolidation and all sales and profit figures relate to external transactions only.

(b) Conversion of Foreign Currencies

Assets and liabilities in foreign currencies and the profits of overseas subsidiaries are translated into sterling at the rates of exchange ruling at the balance sheet date. Differences arising on the translation of the net current assets of overseas subsidiaries are included in trading profits. Differences arising on the translation of fixed assets less associated foreign currency borrowings are taken to reserves.

(c) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation, with the exception of freehold land and buildings in the United Kingdom which are stated at a valuation as at 31st October 1973, less accumulated depreciation. Depreciation on plant, machinery and equipment is provided at rates varying between 10% per annum and 25% per annum on cost, depending on type of asset. Depreciation on buildings is provided at 2% per annum on cost, or where applicable, valuation. Leasehold properties are amortised over the length of the lease.

(d) Stock and Work in Progress

Stock and work in progress are valued 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 stock can be realised in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from its existing state to a finished condition. Provision is made for obsolete, slow moving and defective stock. Tool stores held by the company are valued on a base stock method.

(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.



WEYBURN-BARTEL LIMITED  
(Formerly Carborundum Engine Components Limited)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1981 - Continued

No provision is made following the revaluation of properties for the taxation which would arise on the disposal, unless a sale of the properties is foreseen.

(f) Pension Scheme

The company in the United Kingdom 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 calculated by the actuaries to the fund and charged to the profit and loss account on an accruals basis.

2. Turnover

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

3. Profit/(loss) before Taxation

Profit/(loss) before taxation is stated after charging:-

	<u>1981</u> £'000	<u>1980</u> £'000
Depreciation	529	569
Directors' emoluments (note 4)	27	19
Hire of plant and machinery	51	106
Auditors' remuneration including expenses (the parent company £20,000; 1980 £17,000)	26	17
Loss on translation of net current assets denominated in foreign currencies	52	13
Provision for rationalisation	<u>251</u>	<u>-</u>

and after crediting:-

Interest (note 5)	41	313
Exchange gain on repayment of US dollar denominated loan	<u>743</u>	<u>-</u>

4. Directors' Emoluments

Particulars of the emoluments in accordance with Sections 6 and 7 of the Companies Act 1967 are as follows:-

	<u>1981</u> £'000	<u>1980</u> £'000
Management remuneration	24	17
Pension contribution:	<u>3</u>	<u>2</u>
Emoluments of the chairman, excluding pension contributions	<u>Nil</u>	<u>Nil</u>
Emoluments of the highest paid director	<u>£18,270</u>	<u>£17,146</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1981 - Continued

The number of other directors whose annual emoluments (excluding pension contributions) fell into the ranges shown is as follows:-

	<u>1981</u>	<u>1980</u>
£Nil to £5,000	4	3

One former executive director received a pension from the company amounting to £2,638 (1980 - £2,522).

5. Interest

	<u>1981</u> £'000	<u>1980</u> £'000
Interest receivable		
On loans to affiliated companies	341	441
Other interest receivable	25	47
	<u>366</u>	<u>488</u>
<u>Less:</u>		
Interest payable		
On bank and other borrowings repayable within five years	-	(100)
On borrowings from affiliated companies	(325)	(75)
	<u>41</u>	<u>313</u>

6. Taxation

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

	<u>1981</u> £'000	<u>1980</u> £'000
On the result for the year:		
Overseas taxation	337	185
United Kingdom corporation tax at 52%	442	-
Deferred taxation	(405)	(389)
	<u>374</u>	<u>(204)</u>
Adjustment in respect of prior years:		
Overseas taxation	(8)	(8)
United Kingdom taxation	-	24
Deferred taxation	(290)	-
	<u>76</u>	<u>(188)</u>

The tax charge on the profit for the year is reduced by £57,000 as a result of the estimate of stock relief to be claimed for the year.

The release of deferred taxation in respect of prior years arises principally from the changes to the stock appreciation relief rules contained in the Finance Act 1981. The release in respect of stock relief amounted to £234,000.

WEYBURN-BARTELL LIMITED  
(Formerly Carborundum Engine Components Limited)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1981 - Continued

7. Extraordinary Items

	<u>1981</u> £'000	<u>1980</u> £'000
The closure cost of the factory at Bath	-	(75)
Profit on sale of assets of Carborundum Precision Components Division	-	498
	-	423
Taxation thereon	-	220
	-	203
	<u>-</u>	<u>203</u>

8. Fixed Assets

	<u>Group</u>		<u>Company</u>	
	<u>Freehold properties</u>	<u>Plant</u>	<u>Freehold properties</u>	<u>Plant</u>
	£'000	£'000	£'000	£'000
<u>Cost or Valuation</u>				
At 1st January 1981	1,258	5,337	712	3,453
Additions	6	501	5	156
Disposals	-	(256)	-	(171)
Effects of changes in exchange rates	39	125	-	-
At 31st December 1981	<u>1,303</u>	<u>5,707</u>	<u>717</u>	<u>3,438</u>
<u>Depreciation</u>				
At 1st January 1981	92	2,595	27	2,054
Charge for year	29	500	14	257
Disposals	-	(247)	-	(159)
Effects of changes in exchange rates	5	38	-	-
At 31st December 1981	<u>126</u>	<u>2,886</u>	<u>41</u>	<u>2,152</u>
<u>Net Book Value at 1st January 1981</u>	<u>1,166</u>	<u>2,742</u>	<u>685</u>	<u>1,399</u>
<u>Net Book Value at 31st December 1981</u>	<u>1,177</u>	<u>2,821</u>	<u>676</u>	<u>1,286</u>
<u>Analysis of Cost or Valuation</u>				
At cost	603	5,707	17	3,438
Revalued (1973)	700	-	700	-
	<u>1,303</u>	<u>5,707</u>	<u>717</u>	<u>3,438</u>

WEYBURN-BARTEL LIMITED  
(Formerly Carborundum Engine Components Limited)

12.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1981 - Continued

9. Subsidiary Companies

	<u>1981</u> £'000	<u>1980</u> £'000
Shares at cost, less amounts written off	2,059	2,059
Amounts receivable	15	523
	<u>2,074</u>	<u>2,582</u>
Amounts payable	(1,030)	(1,039)
	<u>1,044</u>	<u>1,543</u>

The principal subsidiary company is Weyburn-Bartel GmbH, incorporated in West Germany. All companies are wholly owned.

The accounts for the year ended 31st December 1980 of the company's foreign subsidiaries, Weyburn-Bartel GmbH, and Weyburn-Bartel BV, were unaudited. The combined turnover and net assets of these companies represented approximately 26% and 38% respectively of the group's turnover and net assets.

10. Affiliated Companies

Balance represents net amounts due to parent company and fellow subsidiaries.

11. Stock and Work in Progress

	<u>1981</u>		<u>1980</u>	
	<u>Group</u> £'000	<u>Company</u> £'000	<u>Group</u> £'000	<u>Company</u> £'000
Raw materials	364	179	406	269
Work in progress	744	437	647	412
Finished goods	340	324	459	442
Stores	169	125	169	130
	<u>1,617</u>	<u>1,065</u>	<u>1,681</u>	<u>1,253</u>

12. Share Capital

	<u>1981</u>		<u>1980</u>	
	<u>Authorised</u> £'000	<u>Issued</u> £'000	<u>Authorised</u> £'000	<u>Issued</u> £'000
Ordinary shares of 25p each	2,440	2,438	2,440	2,438
4.2% cumulative preference shares of 50p each	60	60	60	60
	<u>2,500</u>	<u>2,498</u>	<u>2,500</u>	<u>2,498</u>

WEYBURN-BARTEL LIMITED  
(Formerly Carborundum Engine Components Limited)

---

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1981 - Continued

---

16. Ultimate Holding Company

The company's ultimate holding company at 31st December 1981 was the British Petroleum Company plc. The company's previous ultimate holding company was The Kennecott Corporation, located in Stamford, Connecticut, U.S.A. which on 4th June 1981 was taken over by The Standard Oil Company (Ohio), a subsidiary of The British Petroleum Company plc.

17. Reservation of Title

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.