

WEYBURN-BARTEL LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 1982

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1. The directors present herewith the audited accounts for the year ended 31st December 1982.

Results

2. The results for the year are set out in the profit and loss account on page 5.

Dividend

3. A dividend of £1,600,000 was declared and paid in respect of the year ended 31st December 1982.

Activities

4. The company is engaged in precision engineering involving the manufacture of components for truck, tractor, automobile, marine and stationary engines.
5. On 31st December 1982 the entire share capital of the company was acquired by Cranhold Limited, which is itself a subsidiary of J.P. Industries Inc.
6. On 23rd December 1982 the company sold all its subsidiaries, with the exception of E.D. Parts Limited, to The Carborundum Company Limited and its associated companies.

Reorganisation of Share Capital

7. With a view to rationalising the operations of the company, the share capital of the company was reorganised on 23rd December 1982 involving:-

- (a) the consolidation of the ordinary share capital (both issued and unissued) into ordinary shares of 50p each;
- (b) the capitalisation of the sum of £2,437.50 by way of bonus issue of 4,875 ordinary shares of 50p each out of the company's reserves;
- (c) the conversion of the 120,000 4.2% cumulative preference shares of 50p each into 120,000 deferred shares of 50p each;
- (d) allotment to the holders of ordinary shares of 50p each, 1 new ordinary share of 50p credited as fully paid for every 1,000 ordinary shares of 50p then held (which were thereafter converted into deferred shares of 50p each).

Exports

8. The value of exports from the United Kingdom by the company during the year amounted to £1,703,000 (1981 - £2,272,000).



Changes in Fixed Assets

9. The movements in fixed assets during the year are set out in note 10 to the accounts. Ralph Wenger and Company, real estate appraisers and consultants of Spring Lake, Michigan, United States of America, valued freehold properties on a depreciated replacement cost basis as at May 1982. This disclosed a surplus of £604,000 over net book value which has been incorporated in these accounts. The net book value of plant, machinery and equipment at 31st December 1982 was reassessed in March 1983 on the basis of the prevailing market conditions in the engineering industry. This reassessment gave rise to an amount of £699,000 being written off in these accounts.

Directors

10. The directors of the company at 31st December 1982, appointed on that day, were as follows:

J. Psarouthakis (USA)
J. Menson (USA)

Messrs. D.F.L. Hope and F.M. O'Brien resigned from the board on 1st January 1982 and 22nd October 1982 respectively. Messrs. E. Finn, T. Campbell and H. Kirk resigned from the board on 31st December 1982. Mr. S. Finch, who resigned from the board on 31st December 1982, was reappointed to the board on 4th February 1983. Mr. C. Campbell was appointed on 23rd December 1982 and resigned from the board on 31st December 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 company in the United Kingdom during the year was 287 (1981 - 347). The aggregate remuneration paid or payable in respect of that period to these employees amounted to £2,499,000 (1981 - £2,852,000).

Employment of Disabled Persons

13. 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

14. During the year the company made charitable donations amounting to £280 (1981 - £316). There were no political contributions (1981 - 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



Joint Secretary

29th June 1983

Elstead,
Godalming,
Surrey.

WEYBURN-BARTEL LIMITED
REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accounts on pages 5 to 15 in accordance with approved Auditing Standards. The accounts have been prepared under the historical cost convention.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31st December 1982 and of its results and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.



LONDON, 29th June 1983

Chartered Accountants

WEYBURN-BARTEL LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1982

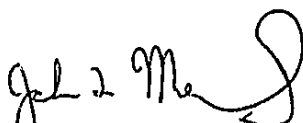
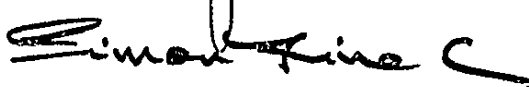
	<u>Notes</u>	<u>1982</u> <u>£'000</u>	<u>1981</u> <u>£'000</u>
TURNOVER	3	<u>5,485</u>	<u>6,531</u>
PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS	4	579	914
EXCEPTIONAL ITEMS	7	<u>(1,503)</u>	<u>(251)</u>
(LOSS)/PROFIT BEFORE TAXATION		(924)	663
TAXATION (CHARGE)/CREDIT	8	<u>(126)</u>	<u>332</u>
(LOSS)/PROFIT AFTER TAXATION AND BEFORE EXTRAORDINARY ITEMS		(1,050)	995
EXTRAORDINARY ITEMS	9	<u>808</u>	<u>-</u>
		(242)	995
DIVIDEND PAID		<u>1,600</u>	<u>-</u>
(LOSS)/PROFIT FOR THE YEAR		<u>(1,842)</u>	<u>995</u>

The notes on pages 8 to 15 form part of these accounts.

Auditors' report - page 4.

WEYBURN-BARTEL LIMITED
BALANCE SHEET AS AT 31ST DECEMBER 1982

	Notes	1982		1981	
		£'000	£'000	£'000	£'000
ASSETS EMPLOYED					
FIXED ASSETS	10				
Properties		1,257		676	
Plant		<u>575</u>		<u>1,286</u>	
			1,832		1,962
SUBSIDIARY COMPANIES	11		(12)		1,044
AFFILIATED COMPANIES	12		(13)		397
CURRENT ASSETS					
Stock and work in progress	13	886		1,065	
Debtors and prepayments		794		1,000	
Cash and bank balances		<u>648</u>		<u>534</u>	
		<u>2,328</u>		<u>2,599</u>	
CURRENT LIABILITIES					
Creditors and accruals		687		1,093	
Provisions for rationalisation		221		251	
Taxation		<u>238</u>		<u>431</u>	
		<u>1,146</u>		<u>1,775</u>	
NET CURRENT ASSETS			<u>1,182</u>		<u>824</u>
			<u>2,989</u>		<u>4,227</u>
FINANCED BY					
SHARE CAPITAL	14		2,500		2,498
RESERVES	15		<u>489</u>		<u>1,729</u>
			<u>2,989</u>		<u>4,227</u>

) Directors

The notes on pages 8 to 15 form part of these accounts.

Auditors' report - page 4.

WEYBURN-BARTEL LIMITED
 STATEMENT OF SOURCE AND APPLICATION OF FUNDS
 FOR THE YEAR ENDED 31ST DECEMBER 1982

	1982		1981	
	£'000	£'000	£'000	£'000
SOURCE OF FUNDS				
(Loss)/profit before taxation	(924)		663	
Extraordinary items before taxation	<u>1,095</u>		<u>-</u>	
		171		663
Adjustments for items not involving movement of funds:				
Depreciation	241		271	
Amount written off in respect of plant, machinery and equipment	<u>699</u>		<u>-</u>	
		940		271
FUNDS FROM OTHER SOURCES				
Disposal of fixed assets	18		12	
Disposal of investments in subsidiary companies	<u>2,059</u>		<u>-</u>	
		2,077		12
APPLICATION OF FUNDS				
Taxes paid	606		(14)	
Purchase of fixed assets	224		161	
Affiliated and subsidiary companies	593		882	
Dividend paid	<u>1,600</u>		<u>-</u>	
		(3,023)		(1,029)
		<u>165</u>		<u>(83)</u>
MOVEMENT IN WORKING CAPITAL				
Decrease in stock and work in progress	(179)		(188)	
Decrease in debtors and prepayments	(206)		(249)	
Decrease in creditors, accruals and provisions	<u>436</u>		<u>90</u>	
		51		(347)
Movement in net liquid funds:				
Increase in cash and bank balances		<u>114</u>		<u>264</u>
		<u>165</u>		<u>(83)</u>

WEYBURN-BARTEL LIMITEDNOTES TO THE ACCOUNTS - 31ST DECEMBER 19821. Companies Act 1981

These accounts have been prepared in compliance with Section 149A of, and Schedule 8A to, the Companies Act 1948.

2. Principal Accounting Policies(a) 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.

(b) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation, with the exception of freehold land and buildings, which are stated at depreciated replacement cost at May 1982, less depreciation to date. 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.

(c) 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.

(d) 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 following the revaluation of properties for the taxation which would arise on the disposal unless a sale of the properties is foreseen.

(e) 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 calculated by the actuaries to the fund and charged to the profit and loss account on an accruals basis.

WEYBURN-BARTEL LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1982 - Continued3. Turnover

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

4. Profit before Taxation and Exceptional Items

Profit before taxation and exceptional items is stated after charging:-

	<u>1982</u> <u>£'000</u>	<u>1981</u> <u>£'000</u>
Depreciation	241	271
Directors' emoluments (note 5)	73	27
Hire of plant and machinery	54	40
Auditors' remuneration including expenses	14	20
Loss on sale of fixed assets	<u>-</u>	<u>2</u>

and after crediting:-

Interest (note 6)	625	127
Exchange gain on repayment of US dollar denominated loan	-	710
Gain on sale of fixed assets	<u>26</u>	<u>-</u>

5. Directors' Emoluments

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

	<u>1982</u> <u>£'000</u>	<u>1981</u> <u>£'000</u>
Management remuneration	37	24
Pension contributions	6	3
Compensation for loss of office	<u>30</u>	<u>-</u>
Emoluments of the chairman, excluding pension contributions	<u>Nil</u>	<u>Nil</u>
Emoluments of the highest paid director	<u>£22,770</u>	<u>£18,270</u>

WEYBURN-BARTEL LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1982 - Continued

5. Directors' Emoluments - continued

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

	<u>1982</u>	<u>1981</u>
£Nil to £5,000	6	4
£10,001 to £15,000	1	-

One former executive director received a pension from the company amounting to £2,769 (1981 - £2,638).

6. Interest

	<u>1982</u> <u>£'000</u>	<u>1981</u> <u>£'000</u>
Interest receivable:		
On loans to former affiliated companies	103	341
Other interest receivable	25	25
	<u>128</u>	<u>366</u>
<u>Less:</u>		
Interest payable:		
On borrowings from former affiliated companies	-	(239)
	128	127
Waiver of interest payable to a former affiliated company	497	-
	<u>625</u>	<u>127</u>

7. Exceptional Items

Exceptional items comprise the following:-

	<u>1982</u> <u>£'000</u>	<u>1981</u> <u>£'000</u>
Costs of rationalisation	544	251
Amount written off in respect of plant, machinery and equipment	699	-
Effect of refinements on basis of valuation of stock	260	-
	<u>1,503</u>	<u>251</u>

WEYBURN-BARTEL LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1982 - Continued

8. Taxation

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

	<u>1982</u> <u>£'000</u>	<u>1981</u> <u>£'000</u>
On the loss (1981 - profit) for the year:		
United Kingdom corporation tax at 52% (1981 - 52%)	287	(442)
Deferred taxation	-	484
Adjustment in respect of prior years:		
United Kingdom taxation	(413)	-
Deferred taxation	-	290
	<u>(126)</u>	<u>332</u>

Adjustment in respect of prior years arises due to surrender of tax losses for the year ended 31st December 1979 without charge and payment at 100% for the year ended 31st December 1981 losses surrendered to the company. It also includes £43,000 underprovision for the year ended 31st December 1981.

9. Extraordinary Items

	<u>1982</u> <u>£'000</u>	<u>1981</u> <u>£'000</u>
Profit on sale of shares in subsidiary companies	1,095	-
Taxation thereon	287	-
	<u>808</u>	<u>-</u>

WEYBURN-BARTEL LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1982 - Continued

10. Fixed Assets

	Freehold properties £'000	Plant £'000
<u>Cost or Valuation</u>	717	3,438
At 1st January 1982	2	222
Additions	565	-
Surplus on revaluation (see (a) below)	(17)	(113)
Disposals	5	(5)
Transfers		
	<u>1,272</u>	<u>3,542</u>
At 31st December 1982		
<u>Depreciation</u>	41	2,152
At 1st January 1982	15	226
Charge for year	(39)	-
Adjustment arising on valuation	(2)	(110)
Disposals	-	699
Additional charge to reflect write-off (see (b) below)		
	<u>15</u>	<u>2,967</u>
	676	1,286
<u>Net Book Value at 1st January 1982</u>	<u>676</u>	<u>1,286</u>
	1,257	575
<u>Net Book Value at 31st December 1982</u>	<u>1,257</u>	<u>575</u>
<u>Analysis of Cost or Valuation</u>		
At cost	-	3,542
Revaluation (1982)	1,272	-
	<u>1,272</u>	<u>3,542</u>

(a) The valuation of freehold properties was carried out as at May 1982 by Ralph Wenger and Company, real estate appraisers and consultants of Spring Lake, Michigan, United States of America; the valuation was on a depreciated replacement cost basis in view of the difficulty in arriving at an open market valuation due to the fact that no exactly similar or reasonably comparable properties in the neighbourhood had been sold in the period immediately prior to the valuation. This valuation, which was £604,000 in excess of the net book value at May 1982, has been taken up in these accounts. Included in the valuation of freehold land and buildings of £1,272,000 is an amount of £929,000 in respect of land which has not been depreciated.

(b) The net book value of plant, machinery and equipment at 31st December 1982 was reassessed in March 1983 on the basis of the prevailing market conditions in the engineering industry. This reassessment gave rise to an amount of £699,000 being written off in these accounts.

WEYBURN-BARTEL LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1982 - Continued

11. Subsidiary Companies

	<u>1982</u> <u>£'000</u>	<u>1981</u> <u>£'000</u>
Shares at cost, less amounts written off	-	2,059
Amounts receivable	-	15
	-	2,074
Amounts payable	(12)	(1,030)
	<u>(12)</u>	<u>1,044</u>

On 23rd December 1982 the company sold its shares in all of its subsidiaries, with the exception of a dormant subsidiary, E.D. Parts Limited. Group accounts incorporating the accounts of this subsidiary have not been prepared because, in the opinion of the directors, the value of this investment is not material to the total assets of the company and such group accounts would be of no real value to the members in view of the insignificant amounts involved in relation to the subsidiary company.

12. Affiliated Companies

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

13. Stock and Work in Progress

	<u>1982</u> <u>£'000</u>	<u>1981</u> <u>£'000</u>
Raw materials	182	179
Work in progress	231	437
Finished goods	398	324
Stores	75	125
	<u>886</u>	<u>1,065</u>

14. Share Capital

	<u>1982</u>		<u>1981</u>	
	<u>Authorised</u> <u>£'000</u>	<u>Issued</u> <u>£'000</u>	<u>Authorised</u> <u>£'000</u>	<u>Issued</u> <u>£'000</u>
Ordinary shares of 25p each	-	-	2,440	2,438
4.2% cumulative preference shares of 50p each	-	-	60	60
Ordinary shares of 50p each	2	2	-	-
Deferred shares of 50p each	2,498	2,498	-	-
	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,498</u>

WEYBURN-BARTEL LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1982 - Continued

14. Share Capital - continued

With a view to rationalising the operations of the company, the share capital of the company was reorganised on 23rd December 1982 involving:-

- (a) the consolidation of the ordinary share capital (both issued and unissued) into ordinary shares of 50p each;
- (b) the capitalisation of the sum of £2,437.50 by way of bonus issue of 4,875 ordinary shares of 50p each out of the company's reserves;
- (c) the conversion of the 120,000 4.2% cumulative preference shares of 50p each into 120,000 deferred shares of 50p each;
- (d) allotment to the holders of ordinary shares of 50p each, 1 new ordinary share of 50p credited as fully paid for every 1,000 ordinary shares of 50p then held (which were thereafter converted into deferred shares of 50p each).

15. Reserves

	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 1st January 1982	-	1,729	1,729
(Loss) for the year	-	(1,842)	(1,842)
Bonus issue	-	(2)	(2)
Surplus arising from revaluation	604	-	604
At 31st December 1982	604	(115)	489

16. Deferred Taxation

No provision for deferred taxation has been made due to tax losses carried forward being in excess of the remaining timing differences. Full potential liability is analysed as follows:-

	1982 £'000	1981 £'000
Excess of capital allowances over depreciation	294	656
Other timing differences	(124)	(388)
	170	268
Losses available for offset against future tax liabilities	(170)	(268)
	-	-

WEYBURN-BARTEL LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 1982 - Continued16. Deferred Taxation - continued

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

17. Capital Commitments

	<u>1982</u> <u>£'000</u>	<u>1981</u> <u>£'000</u>
Contracted for, but not provided in these accounts	141	12
Authorised but not contracted for	<u>148</u>	<u>29</u>
	<u>289</u>	<u>41</u>

18. Ultimate Holding Company

The company's ultimate holding company at 31st December 1982 was J.P. Industries Inc., located in Ann Arbor, Michigan, United States of America. The company's previous ultimate holding company was The British Petroleum Company plc.

19. 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.