

COMPANIES HOUSE
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WEYBURN-BARTEL LIMITED
DIRECTORS' REPORT AND ACCOUNTS
31ST DECEMBER, 1990
(Registered No: 306023)

KPMG PEAT MARWICK McLINTOCK
1 Puddle Dock, Blackfriars, London EC4V 3ED

WEYBURN-BARTEL LIMITEDREPORT OF THE DIRECTORS

The directors present herewith the audited accounts for the year ended 31st December, 1990.

PRINCIPAL ACTIVITIES

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

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.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Sales for the year were £8,745,473 (1989: £8,694,912) in line with the previous twelve months activity.

We are set to achieve further sales growth through increases in Original Equipment and Aftermarket Supply and are investing in new plant and equipment to provide the necessary capacity.

DIVIDENDS

The directors recommend that no dividends should be paid (1989: Nil).

CHANGES IN FIXED ASSETS

The movements in fixed assets during the period are set out in note 8 to the accounts.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year were:

| | | |
|-----------------|----------------|-------------------------------|
| J. Psarouthakis | (USA) | (resigned 23rd January, 1991) |
| J.L. Manson II | (USA) | (resigned 23rd January, 1991) |
| W. Bartel | (West Germany) | |
| M. Lee | | |

WEYBURN-BARTEL LIMITED

REPORT OF THE DIRECTORS

DIRECTORS AND DIRECTORS' INTERESTS (continued)

The following directors were appointed on the 23rd January, 1991:

Dr. A.J.P. Sabberwal
A. Dearden

The directors 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.

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

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 capacity.

AUDITORS

Coopers and Lybrand Deloitte resigned as auditors during the year. KPMG Peat Marwick McLintock were asked to fill the temporary vacancy by the directors of the company. KPMG Peat Marwick McLintock have expressed their willingness to continue in office and, in accordance with Section 385 of the Companies Act 1985, a resolution concerning their reappointment will be proposed at the forthcoming Annual General Meeting.

By order of the board

Secretary



Elstead,
Godalming,
Surrey.

13th March, 1991

KPMG Peat Marwick McLintock

REPORT OF THE AUDITORS, KPMG PEAT MARWICK McLINTOCK,
TO THE MEMBERS OF
WEYBURN-BARTEL LIMITED

We have audited the accounts on pages 4 to 15 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st December, 1990 and of its profit and source and application of funds for the year to that date and have been properly prepared in accordance with the Companies Act 1985.

LONDON

KPMG Peat Marwick McLintock

13th March, 1991

Chartered Accountants

WEYBURN-BARTEL LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 1990

| | <u>Note</u> | <u>1990</u> £'000 | <u>1989</u> £'000 |
|--------------------------------------------------|-------------|----------------------|----------------------|
| TURNOVER | 2 | 8,745 | 8,695 |
| Cost of sales | | (7,776) | (7,192) |
| GROSS PROFIT | | 969 | 1,503 |
| Distribution costs | | (158) | (175) |
| Administrative expenses | | (535) | (476) |
| Other operating (expenses)/income | 3(b) | (3) | 758 |
| OPERATING PROFIT | 3(a) | 273 | 1,610 |
| Interest receivable | | 32 | 68 |
| Interest payable and similar charges | 6 | (116) | (20) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 189 | 1,658 |
| Tax on profit on ordinary activities | 7 | 418 | (265) |
| PROFIT FOR THE FINANCIAL YEAR | | 607 | 1,393 |

The amounts set aside to reserves are shown in note 15.

The notes on pages 7 to 15 form part of these accounts.

WEYBURN-BARTEL LIMITEDBALANCE SHEET AT 31ST DECEMBER, 1990

| | Note | 1990 £'000 | 1989 £'000 |
|------------------------------------------------------------|------|---------------|---------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | 6,147 | 4,164 |
| Investments | 9 | - | - |
| CURRENT ASSETS | | | |
| Stocks | 10 | 802 | 1,280 |
| Debtors | 11 | 3,175 | 4,312 |
| Cash at bank and in hand | | 197 | 133 |
| | | 4,174 | 5,725 |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 12 | (1,307) | (1,778) |
| NET CURRENT ASSETS | | 2,867 | 3,947 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 9,014 | 8,111 |
| CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 13 | (561) | (256) |
| PROVISIONS FOR LIABILITIES AND CHARGES | | | |
| Deferred taxation | 14 | - | (418) |
| NET ASSETS | | 8,453 | 7,437 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 15 | 2,500 | 2,500 |
| Revaluation reserve | 16 | 698 | 289 |
| Profit and loss account | 16 | 5,255 | 4,648 |
| | | 8,453 | 7,437 |

These accounts were approved by the board
of directors on 13th March, 1991.

M Lee

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) Directors
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COMPANIES HOUSE

16 SEP 1991

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The notes on pages 7 to 15 form part of these accounts.

WEYBURN-BARTEL LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST DECEMBER, 1990

| | <u>1990</u> | | <u>1989</u> | |
|-------------------------------------------------------------------------------------------|-------------|----------------|----------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| SOURCE OF FUNDS | | | | |
| Profit on ordinary activities before taxation | | 189 | | 1,658 |
| Adjustments for items not involving the movement of funds: | | | | |
| Depreciation of tangible fixed assets | 404 | | 364 | |
| Loss on sale of plant | 3 | | 3 | |
| Profit on sale of freehold property | <u>-</u> | | <u>(1,022)</u> | |
| | | 407 | | (655) |
| FUNDS GENERATED FROM OPERATIONS | | <u>596</u> | | <u>1,003</u> |
| FUNDS FROM OTHER SOURCES | | | | |
| Finance lease funding | 470 | | 206 | |
| Sale proceeds of fixed assets | <u>7</u> | | <u>1,251</u> | |
| | | 477 | | 1,457 |
| | | <u>1,073</u> | | <u>2,460</u> |
| APPLICATION OF FUNDS | | | | |
| Group relief settled | - | | 51 | |
| Taxes paid | 272 | | 397 | |
| Purchase of fixed assets | 1,988 | | 1,504 | |
| Repayments under finance leases | <u>81</u> | | <u>-</u> | |
| | | (2,341) | | (1,952) |
| (DECREASE)/INCREASE IN WORKING CAPITAL | | <u>(1,268)</u> | | <u>508</u> |
| COMPONENTS OF (DECREASE)/INCREASE IN WORKING CAPITAL | | | | |
| (Decrease)/increase in stocks | | (478) | | 161 |
| (Decrease)/increase in debtors | | (1,137) | | 1,315 |
| Decrease/(increase) in creditors, excluding taxation and obligations under finance leases | | 283 | | (455) |
| Movement in net liquid funds: | | | | |
| Increase/(decrease) in bank and cash in hand | | 64 | | (513) |
| | | <u>(1,268)</u> | | <u>508</u> |

The notes on pages 7 to 15 form part of these accounts.

WEYBURN-BARTEL LIMITEDNOTES TO THE ACCOUNTS1. PRINCIPAL ACCOUNTING POLICIES(a) Basis of preparation

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

(b) Fixed assets and depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation. The basis of valuation is explained in note 8. 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 40 years on cost or, where applicable, valuation.

(c) 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.

(d) Foreign exchange

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

(e) Turnover

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

(f) Deferred taxation

Deferred taxation calculated using the liability method is provided where there is a reasonable probability that a liability will become payable.

WEYBURN-BARTEL LIMITEDNOTES TO THE ACCOUNTS3. OPERATING PROFIT (continued)(c) Exceptional items:

Sale of Eashing site:

On 22nd December, 1989 the company sold its freehold interest in the production site at Eashing for a profit of £761,000 after deduction of relocation costs of £261,000.

4. DIRECTORS' EMOLUMENTS

Directors' emoluments including pension contributions were as follows:

| | <u>1990</u> | <u>1989</u> |
|-------------------------|-------------|-------------|
| | £ | £ |
| For management services | 60,493 | 67,036 |

Directors' emoluments (excluding pension contributions) are as follows:

| | <u>1990</u> | <u>1989</u> |
|-----------------------|-------------|-------------|
| | £ | £ |
| Chairman | Nil | Nil |
| Highest paid director | 60,493 | 58,342 |

The emoluments of the other directors were within the ranges:

| | <u>1990</u> | <u>1989</u> |
|-------------------|-------------|-------------|
| | No. | No. |
| £ 0 - £ 5,000 | 2 | 2 |
| £ 5,001 - £10,000 | - | 1 |

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 ACCOUNTS5. EMPLOYEE INFORMATION

(a) The average number of persons employed by the group during the period, including executive directors was as follows:

| | <u>1990</u> <u>Number</u> | <u>1989</u> <u>Number</u> |
|------------------------------------------|------------------------------|------------------------------|
| Production | 195 | 202 |
| Selling, distribution and administration | 17 | 18 |
| | <u>212</u> | <u>220</u> |

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

| | <u>1990</u> <u>£'000</u> | <u>1989</u> <u>£'000</u> |
|-------------------------------------------------------------------|-----------------------------|-----------------------------|
| Aggregate gross wages and salaries paid | 3,338 | 3,192 |
| Employer's national insurance contributions | 280 | 265 |
| Employer's pension contributions under the company pension scheme | 131 | 118 |
| | <u>3,749</u> | <u>3,575</u> |

The pension cost is after a credit of £37,569 attributable to amortisation of a pension fund surplus which is being spread over the average remaining service lives of current employees. The most recent actuarial valuation of the Scheme was in May, 1988. The valuation used the projected unit method and was based on membership and pensionable salaries as at 1st October, 1988. It assumed an average effective rate of interest of 9% and an annual increase in pensionable salaries of 8%. The main results of the valuation were:

- (i) the market value of scheme assets was £2,035,010.
- (ii) the actuarial assessed value of these assets represented 142% of the benefits that had accrued to Members; and
- (iii) a contribution rate of 15% of pensionable payroll was recommended.

6. INTEREST PAYABLE AND SIMILAR CHARGES

These comprise:

| | <u>1990</u> <u>£'000</u> | <u>1989</u> <u>£'000</u> |
|----------------------------------------------|-----------------------------|-----------------------------|
| Interest payable - bank loans and overdrafts | 29 | - |
| Finance charges payable - finance leases | 87 | 20 |
| | <u>116</u> | <u>20</u> |

WEYBURN-BARTEL LIMITEDNOTES TO THE ACCOUNTS7. TAX ON PROFIT ON ORDINARY ACTIVITIES

| | <u>1990</u> £'000 | <u>1989</u> £'000 |
|-----------------------------------------------------------------------------------|----------------------|----------------------|
| UK Corporation tax based on the taxable profit for the year at 34% (1989: 35%) | - | (316) |
| Transfer to deferred tax | - | 51 |
| Release of deferred tax provision (see note 14) | 418 | - |
| | <u>418</u> | <u>(265)</u> |

The charge to Corporation tax has been reduced by £37,000 as a result of group relief receivable from Cranhold Ltd for nil consideration.

8. TANGIBLE FIXED ASSETS

| | Freehold land and buildings £'000 | Assets in the course of construction £'000 | Plant and machinery £'000 | Leased plant £'000 | Total £'000 |
|------------------------|--------------------------------------------|--------------------------------------------------------|---------------------------------|--------------------------|----------------|
| Cost or valuation: | | | | | |
| At 1st January, 1990 | 974 | 794 | 2,771 | 1,478 | 6,017 |
| Additions | 809 | - | 842 | 338 | 1,989 |
| Revaluation | 123 | - | 213 | - | 336 |
| Transfers | 794 | (794) | (132) | 132 | - |
| Disposals | - | - | (21) | - | (21) |
| At 31st December, 1990 | <u>2,700</u> | <u>-</u> | <u>3,673</u> | <u>1,948</u> | <u>8,321</u> |
| Depreciation: | | | | | |
| At 1st January, 1990 | 66 | - | 1,095 | 692 | 1,853 |
| Charge for year | 14 | - | 236 | 153 | 403 |
| Revaluation | (72) | - | - | - | (72) |
| Disposals | - | - | (10) | - | (10) |
| At 31st December, 1990 | <u>8</u> | <u>-</u> | <u>1,321</u> | <u>845</u> | <u>2,174</u> |
| Net book value: | | | | | |
| At 31st December, 1990 | <u>2,692</u> | <u>-</u> | <u>2,352</u> | <u>1,103</u> | <u>6,147</u> |
| At 31st December, 1989 | <u>908</u> | <u>794</u> | <u>1,676</u> | <u>786</u> | <u>4,164</u> |

WEYBURN-BARTEL LIMITEDNOTES TO THE ACCOUNTS8. 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:

| | <u>Freehold land and buildings</u> £'000 | <u>Plant and machinery</u> £'000 | <u>Leased plant</u> £'000 | <u>Total</u> £'000 |
|--------------------------------|-----------------------------------------------------|-----------------------------------------|----------------------------------|-----------------------|
| Cost | 1,824 | 4,705 | 1,948 | 8,477 |
| Less: Accumulated depreciation | (157) | (2,812) | (845) | (3,814) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31st December, 1990 | 1,667 | 1,893 | 1,103 | 4,663 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net book value: | | | | |
| At 31st December, 1989 | 881 | 1,690 | 786 | 3,357 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

(b) Depreciation has not been charged on freehold land which is stated at its revalued amount of £1,800,000.

(c) Freehold land and buildings have been revalued as at 21st August, 1990 by Jonathan M. Batten, Chartered Surveyor on the basis of open market value. Plant and machinery have been revalued according to the directors' valuation as at 31st December, 1990.

9. INVESTMENTS

| | <u>1990</u> £ | <u>1989</u> £ |
|------|------------------|------------------|
| Cost | 2 | 2 |
| | <hr/> | <hr/> |

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 registered in England and Wales, it is not required to produce consolidated accounts.

10. STOCKS

| | <u>1990</u> £'000 | <u>1989</u> £'000 |
|-------------------------------------|----------------------|----------------------|
| Raw materials and consumables | 114 | 415 |
| Work in progress | 555 | 626 |
| Finished goods and goods for resale | 133 | 239 |
| | <hr/> | <hr/> |
| | 802 | 1,280 |
| | <hr/> | <hr/> |

WEYBURN-BARTEL LIMITEDNOTES TO THE ACCOUNTS11. DEBTORS

| | <u>1990</u> £'000 | <u>1989</u> £'000 |
|------------------------------------|----------------------|----------------------|
| Trade debtors | 1,418 | 1,639 |
| Amount owed by fellow subsidiaries | 1,749 | 1,648 |
| Prepayments and accrued income | 8 | 1,025 |
| | <u>3,175</u> | <u>4,312</u> |

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | <u>1990</u> £'000 | <u>1989</u> £'000 |
|--------------------------------------------------------------------|----------------------|----------------------|
| Obligations under finance leases (see note 18) | 113 | 29 |
| Trade creditors | 544 | 812 |
| Amount owed to fellow subsidiaries | 149 | 7 |
| Other creditors including taxation and social security (see below) | 91 | 455 |
| Accruals and deferred income | 410 | 475 |
| | <u>1,307</u> | <u>1,778</u> |

Other creditors including taxation and social security, comprise:

| | <u>1990</u> £'000 | <u>1989</u> £'000 |
|-------------------------------|----------------------|----------------------|
| Group relief payable | - | 44 |
| UK corporation tax payable | - | 272 |
| VAT, social security and PAYE | 91 | 139 |
| | <u>91</u> | <u>455</u> |

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | <u>1990</u> £'000 | <u>1989</u> £'000 |
|------------------------------------------------|----------------------|----------------------|
| Amounts owed to group companies | 12 | 12 |
| Obligations under finance leases (see note 18) | 549 | 244 |
| | <u>561</u> | <u>256</u> |

WEYBURN-BARTEL LIMITEDNOTES TO THE ACCOUNTS14. DEFERRED TAXATION

| | £ |
|---------------------------------------------------------------------------|-------|
| Balance brought forward 1st January, 1990 (represented full provision) | 418 |
| Released to profit and loss account | (418) |
| | <hr/> |
| Balance carried forward 31st December, 1990 | - |
| | <hr/> |

No provision for deferred taxation has been made at 31st December, 1990 as no liability is expected to arise in the foreseeable future. The full potential liability at that date is £436,000, being £475,000 in respect of accelerated capital allowances less £39,000 in respect of other timing differences.

15. CALLED UP SHARE CAPITAL

| | <u>1990 and 1989</u> | |
|---------------------------------------|----------------------|-------------------------------------------------------|
| | <u>Authorised</u> | <u>Allotted, called up and fully paid</u> |
| | £'000 | £'000 |
| 4,875 Ordinary shares of 50p each | 2 | 2 |
| 4,995,000 deferred shares of 50p each | 2,498 | 2,498 |
| | <hr/> | <hr/> |
| | 2,500 | 2,500 |
| | <hr/> | <hr/> |

16. RESERVES

| | <u>Revaluation reserve</u> | <u>Profit and loss account</u> |
|-------------------------------------------|--------------------------------|------------------------------------|
| | £'000 | £'000 |
| At 1st January, 1990 | 289 | 4,648 |
| Retained profit for the financial year | - | 607 |
| Revaluation surplus in year | 409 | - |
| | <hr/> | <hr/> |
| At 31st December, 1990 | 698 | 5,255 |
| | <hr/> | <hr/> |

WEYBURN-BARTEL LIMITEDNOTES TO THE ACCOUNTS17. CAPITAL COMMITMENTS

| | <u>1990</u> | <u>1989</u> |
|-------------------------------------------------------|--------------|--------------|
| | <u>£'000</u> | <u>£'000</u> |
| Contracted for, but not provided in these accounts | 204 | 930 |
| Authorised but not contracted for | 36 | 1,805 |
| | <u>240</u> | <u>2,735</u> |

18. LEASING COMMITMENTS

The future minimum lease payments to which the company is committed as at 31st December, 1990 under finance leases and non-cancellable operating leases are as follows:

| | <u>Finance leases</u> | <u>Operating lease</u> |
|------------------------------------------------------|---------------------------|----------------------------|
| | <u>£'000</u> | <u>£'000</u> |
| Less than one year | 182 | 10 |
| Two to five years | 661 | 8 |
| | <u>843</u> | <u>18</u> |
| Less: finance charges allocated to future periods | (181) | - |
| | <u>662</u> | <u>18</u> |
| Shown as: | | |
| Amount falling due within one year | 113 | |
| Amounts falling due after more than one year | 549 | |
| | <u>662</u> | |

19. ULTIMATE HOLDING COMPANY

The company's ultimate holding company at 31st December, 1990 was T&N Plc, a company registered in England and Wales.

20. 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.