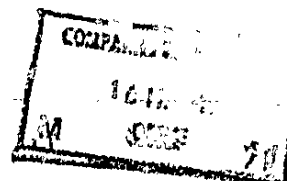


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WEYBURN-BARTEL  
LIMITED

ACCOUNTS  
for the year ended  
30 September 1987



Coopers  
& Lybrand

WEYBURN-BARTEL LIMITED

Report of the directors  
for the year ended 30 September 1987

1 The directors present herewith the audited accounts for the year ended 30 September 1987.

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 Sales from Original Equipment contracts which started up during the second half of the year and from increased Aftermarket sales of both current and newly introduced products, enabled us to finish the year above last year on sales, despite a reduction in high margin Inter-Company sales to the USA.

6 New equipment was installed in the year to further increase capacity and flexibility; Ford Q101 approval status was attained.

7 We are set to achieve growth through further increases in Aftermarket sales and Original Equipment supply for automotive engines.

8 Our goal is to be accepted as providing the best service for camshaft supply from prototypes through to volume production.

Dividends

9 The directors recommend that no dividends should be paid (1986 - Nil).

Changes in fixed assets

10 The movements in tangible fixed assets during the year are set out in note 8 to the accounts.

Directors

11 The directors of the company at 30 September 1987 were:-

J Psarouthakis (USA)  
J L Menson II (USA)  
W Bartel (West Germany)  
C Campbell  
M Lee

Directors' interests in shares

12 The directors, according to the register required to be kept under section 325 of the Companies Act 1985, 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

13 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

14 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

15 The company made charitable donations during the year of £545 (1986 £306). There were no political contributions (1986 Nil)

Close company provisions

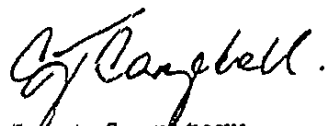
16 As far as the directors are aware, the company is not a close company within the terms of the Income and Corporation Taxes Act 1970, as amended.

Auditors

17 A resolution to re-appoint the auditors, Coopers & Lybrand, will be proposed at the general meeting.

BY ORDER OF THE BOARD

C J CAMPBELL

  
Joint Secretary  
10 November 1987

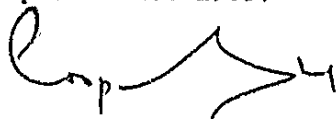
Elstead  
Godalming  
Surrey

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

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

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30 September 1987 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.



COOPERS & LYBRAND

Chartered Accountants  
LONDON, 10 November 1987

Profit and loss account  
For the year ended 30 September 1987

	<u>Notes</u>	<u>1987</u> £'000	<u>1986</u> £'000
Turnover	2	6,991	6,811
Cost of sales		5,543	5,265
Gross profit		<u>1,448</u>	<u>1,546</u>
Net operating expenses:			
Distribution costs		214	183
Administrative expenses		294	297
Other operating income		(5)	-
		<u>503</u>	<u>480</u>
Operating profit	3	945	1,066
Interest receivable		25	36
Interest payable and similar charges	6	(24)	(42)
Profit before taxation		<u>946</u>	<u>1,060</u>
Tax on profit on ordinary activities	7	(329)	(291)
Profit on ordinary activities after taxation, retained for the financial year		<u>617</u>	<u>769</u>

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

Auditors' report page 3.

Balance sheet - 30 September 1987

	Notes	<u>1987</u>		<u>1986</u>	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8		3,378		3,044
CURRENT ASSETS					
Stocks	9	930		931	
Debtors	10	2,833		2,362	
Cash at bank and in hand		-		313	
		<u>3,763</u>		<u>3,606</u>	
CREDITORS: amounts falling due within one year	11	<u>(1,471)</u>		<u>(1,440)</u>	
NET CURRENT ASSETS			<u>2,292</u>		<u>2,166</u>
Total assets less current liabilities			5,670		5,210
Less: non-current liabilities:					
CREDITORS: amounts falling due after more than one year	12		(131)		(359)
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	14		(418)		(347)
			<u>5,121</u>		<u>4,504</u>
CAPITAL AND RESERVES					
Called up share capital	15		2,500		2,500
Revaluation reserve	16		491		497
Profit and loss account	16		2,130		1,507
			<u>5,121</u>		<u>4,504</u>

These accounts were approved by the Board on 10 November 1987

M LEE )

) Directors

G J CAMPBELL )

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

Auditors report page 3.

Statement of source and application of funds  
for the year ended 30 September 1987

	1987		1986	
	£'000	£'000	£'000	£'000
SOURCE OF FUNDS				
Profit before taxation		946		1,060
Adjustment for items not involving the movement of funds:				
Depreciation of tangible fixed assets	309		296	
Profit on sale of fixed assets	(5)		-	
		304		296
Funds provided by operations		1,250		1,356
Funds from other sources:				
Sale proceeds of fixed assets		6		-
Total source of funds		1,256		1,356
APPLICATION OF FUNDS				
Taxes paid	248		96	
Dividends paid	-		-	
Purchase of fixed assets	644		437	
Repayments under finance leases	248		234	
Total application of funds		(1,140)		(767)
INCREASE/(DECREASE) IN WORKING CAPITAL		116		589
INCREASE/(DECREASE) IN WORKING CAPITAL				
Increase/(decrease) in stocks	(1)		(141)	
Increase in debtors, excluding taxation	471		563	
(increase)/decrease in creditors, excluding taxation and obligations under finance leases	34		132	
		504		554
Movement in net liquid funds:				
Bank and cash balances		(388)		35
		116		589

Auditors' report page 3.

Notes to the accounts - 30 September 1987Principal 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 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 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.

(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

The charge for taxation is based on the profit for the year as adjusted for disallowable items. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the accounts. Provision is made at the rate which is expected to be applied when the liability or asset is expected to crystallise.

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.



Notes to the accounts - 30 September 1987 continued(f) Pension scheme

The company has contracted out of the State Pension Scheme for staff employees only and its pension arrangements for such employees 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.

(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:-

	<u>1987</u> £'000	<u>1986</u> £'000
United Kingdom	5,668	5,043
Europe	578	616
North America	701	1,101
Rest of the World	44	51
	<u>6,991</u>	<u>6,811</u>

Operating profit

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

	<u>1987</u> £'000	<u>1986</u> £'000
Auditors' remuneration	15	14
Hire of plant and machinery	26	20
Depreciation of tangible fixed assets (owned)	190	177
Depreciation of leased plant under finance leases	119	119
Directors' emoluments (see note 4)		
including pension contributions	76	71
Gain on sale of fixed assets	(5)	-
	<u>      </u>	<u>      </u>

WEYBURN-BARTEL LIMITEDNotes to the accounts - 30 September 1987 continuedDirectors' emoluments

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

	<u>1987</u>	<u>1986</u>
For management services	<u>£76,451</u>	<u>£70,818</u>

Directors' emoluments, disclosed in accordance with Part V of Schedule 5 of the Companies Act 1985, and excluding pension contributions, are as follows:-

	<u>1987</u>	<u>1986</u>
Emoluments of the chairman	Nil	Nil
Emoluments of the highest paid director	<u>£43,478</u>	<u>£39,861</u>

Number of directors whose emoluments were within the ranges:-

	<u>Number</u>	<u>Number</u>
£Nil to £5,000	3	3
£25,001 to £30,000	-	-
£30,001 to £35,000	1	1
£35,001 to £40,000	-	1
£40,001 to £45,000	1	-
	<u>      </u>	<u>      </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.

Employee information

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

	<u>1987</u>	<u>1986</u>
	Number	Number
By type of work:		
Production	181	180
Selling, distribution and administration	18	18
	<u>199</u>	<u>198</u>

Notes to the accounts - 30 September 1987 continued

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

	<u>1987</u> £'000	<u>1986</u> £'000
Aggregate gross wages and salaries paid	2,369	2,169
Employer's national insurance contributions	231	208
Employer's pension contributions under the company pension scheme	19	13
Total direct costs of employment	<u>2,619</u>	<u>2,390</u>

Interest payable and similar charges

6	<u>1987</u> £'000	<u>1986</u> £'000
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Interest payable on sums wholly repayable within five years:

Bank loans and overdrafts	1	5
Finance leases	23	37
	<u>24</u>	<u>42</u>

Tax on profit on ordinary activities

7	<u>1987</u> £'000	<u>1986</u> £'000
UK corporation tax based on the taxable profit for the year at 35.0% (1986 37.5%)	259	249
Transfer to deferred taxation	70	42
	<u>329</u>	<u>291</u>

## Notes to the accounts - 30 September 1987 continued

Tangible fixed assets

8	Freehold land and buildings £'000	Plant and machinery £'000	Leased plant £'000	Total £'000
<u>Cost or valuation</u> (see (a) below)				
At 1 October 1986	1,187	1,508	1,193	3,888
Additions	28	616	-	644
Disposals	-	16	-	16
At 30 September 1987	1,215	2,108	1,193	4,516
<u>Depreciation</u>				
At 1 October 1986	56	500	288	844
Charge for year	11	179	119	309
Disposals	-	15	-	15
At 30 September 1987	67	664	407	1,138
Net book value at 30 September 1987	1,148	1,444	786	3,378
Net book value at 30 September 1986	1,131	1,008	905	3,044

(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	Total £'000
Cost	241	4,775	1,193	6,209
Less: Accumulated depreciation	145	3,319	407	3,871
Net book value at 30 September 1987	96	1,456	786	2,338
Net book value at 30 September 1986	74	1,019	905	1,998

## WEYBURN-BARTEL LIMITED

## Notes to the accounts - 30 September 1987 continued

- (b) Depreciation has not been charged on freehold land, which is stated at its revalued amount of £853,100.
- (c) The value of the freehold properties of Weyburn-Bartel Limited resulted from a valuation in May 1982 based upon depreciated replacement cost. The value of plant, machinery and equipment resulted from a valuation in March 1983 based upon prevailing conditions in the engineering industry.

Stocks

9	<u>1987</u> £'000	<u>1986</u> £'000
Raw materials and consumables	249	302
Work in progress	524	427
Finished goods and goods for resale	157	202
	<u>930</u>	<u>931</u>
	<u>930</u>	<u>931</u>

Debtors

10	<u>1987</u> £'000	<u>1986</u> £'000
Trade debtors	1,333	904
Amounts owed by group companies (holding company and fellow subsidiaries)	1,492	1,457
UK Corporation tax recoverable	-	-
Prepayments and accrued income	8	1
	<u>2,833</u>	<u>2,362</u>
	<u>2,833</u>	<u>2,362</u>

Creditors: amounts falling due within one year

11	<u>1987</u> £'000	<u>1986</u> £'000
Bank overdraft	75	-
Obligations under finance leases	227	247
Trade creditors	569	643
Amounts owed to group companies (holding company and fellow subsidiaries)	-	2
Other creditors including taxation and social security (see below)	407	328
Accruals and deferred income	193	220
	<u>1,471</u>	<u>1,440</u>
	<u>1,471</u>	<u>1,440</u>

## WEYBURN-BARTEL LIMITED

Notes to the accounts - 30 September 1987 continued

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

	<u>1987</u> £'000	<u>1986</u> £'000
UK Corporation tax payable 30 June 1988	259	249
VAT, social security taxes and PAYE withheld	148	79
	<u>407</u>	<u>328</u>
	<u>      </u>	<u>      </u>

Creditors: amounts falling due after more than one year

	<u>1987</u> £'000	<u>1986</u> £'000
12		
Amounts owed to subsidiary company	12	12
Obligations under finance leases (see note 18)	119	347
	<u>131</u>	<u>359</u>
	<u>      </u>	<u>      </u>

Pensions and similar obligations

13 The company staff scheme is contributory (2%) and provides all staff employees with a pension on retirement. At the last actuarial valuation in 1985, the scheme was still found to be overfunded and reduced contributions were continued. Triennial valuations are made to monitor the level of funding.

Deferred taxation

14 The full potential liability and provision for deferred taxation is analysed as follows:-

	<u>1987</u> £'000	<u>1986</u> £'000
Excess of capital allowances over depreciation	25	233
Other timing differences	17	114
	<u>42</u>	<u>347</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 tax on that would arise in the event of their disposal at the amount of their revaluation in 1982 (Note 8). 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 £200,000.

Notes to the accounts - 30 September 1987 continuedCalled up share capital

15

	<u>1987 and 1986</u>	
	<u>Authorised</u>	<u>Allotted, called up and fully paid</u>
	<u>£'000</u>	<u>£'000</u>
4,000 ordinary shares of 50p each	2	2
4,996,000 deferred shares of 50p each	2,498	2,498
	<u>2,500</u>	<u>2,500</u>

Reserves

16

	<u>Revaluation reserve</u>		<u>Profit and loss account</u>	
	<u>1987</u>	<u>1986</u>	<u>1987</u>	<u>1986</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
At 1 October 1986	497	503	1,507	732
Retained profit for the financial year	-	-	617	769
Revaluation surplus realised	(6)	(6)	6	6
At 30 September 1987	<u>491</u>	<u>497</u>	<u>2,130</u>	<u>1,507</u>

Capital commitments

17

	<u>1987</u>	<u>1986</u>
	<u>£'000</u>	<u>£'000</u>
Contracted for, but not provided in these accounts	2	493
Authorised but not contracted for	6	7
	<u>8</u>	<u>500</u>

Notes to the accounts - 30 September 1987 continuedLeasing commitments

18 The future minimum lease payments to which the company is committed as at 30 September 1987 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:		
1988	237	22
1989	120	4
1990	-	-
	<u>357</u>	<u>26</u>
Less: finance charges allocated to future periods	(11)	-
	<u>346</u>	<u>26</u>

Ultimate holding company

19 The company's ultimate holding company at 30 September 1987 was J P Industries Inc, located in Ann Arbor, Michigan, United States of America.

Reservation of title

20 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.

Auditors' report page 3.