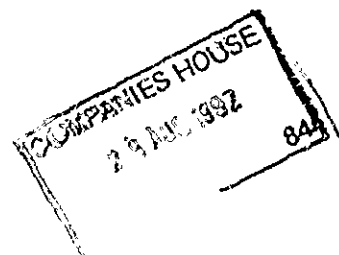


WEYBURN-BARTEL LIMITED

Directors' report and financial statements

31 December 1991

Registered number 306023



# WEYBURN-BARTEL LIMITED

## DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 31 December 1991.

### PRINCIPAL ACTIVITIES

The results for the year 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 £9,002,177 (1990: £8,745,473) 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 (1990: Nil).

### CHANGES IN FIXED ASSETS

The movements in fixed assets during the year are set out in note 8 to the financial statements.

### DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year were:

W. Bartel	(West Germany)	
M. Lee		
A. Dearden		(appointed 23 January 1991)
Dr. A.J.P. Sabberwal		(appointed 23 January 1991; resigned 2 September 1991)
S.P. Northedge		(appointed 23 May 1991)
G.H. Nicklen		(appointed 23 May 1991)
R.D. Raywood		(appointed 2 September 1991)
J. Pasarouthakis	(USA)	(resigned 23 January 1991)
J.L. Menson II	(USA)	(resigned 23 January 1991)

WEYBURN-BARTEL LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS AND DIRECTORS' INTERESTS (continued)

The directors did not have at the beginning or end of the year any interests in shares which are required by the Companies Act 1985 to be notified to the company.


EMPLOYMENT OF DISABLED PERSONS

The group's policy is to consider disabled workers for all suitable employment vacancies and to give appropriate training assistance as necessary to introduce the worker to his job and to develop his skill and capacity.

AUDITORS

KPMG Peat Marwick 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

  
S.P. NORTHEDGE  
Secretary

Elstead,  
Godalming  
Surrey.

REPORT OF THE AUDITORS TO THE MEMBERS OF  
WEYBURN-BARTEL LIMITED

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

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Peat Marwick*

KPMG PEAT MARWICK  
Chartered Accountants  
Registered Auditor

Date

*17<sup>th</sup> August 1992*

WEYBURN-BARTEL LIMITED

PROFIT AND LOSS ACCOUNT  
for the year ended 31 December 1991

	Note	1991 £'000	1990 £'000
TURNOVER	2	9,002	8,745
Cost of sales		(7,256)	(7,776)
		<hr/>	<hr/>
GROSS PROFIT		1,746	969
Distribution costs		(184)	(158)
Administrative expenses		(532)	(535)
Other operating income/(expenses)	3(b)	328	(3)
		<hr/>	<hr/>
OPERATING PROFIT	3(a)	1,358	273
Interest receivable		9	32
Interest payable and similar charges	6	(55)	(116)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,312	189
Tax on profit on ordinary activities	7	(221)	418
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR		<u>1,091</u>	<u>607</u>

A statement of movements on reserves is given in note 16.

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

WEYBURN-BARTEL LIMITED

BALANCE SHEET  
at 31 December 1991

	Note	1991		1990	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8		6,064		6,147
CURRENT ASSETS					
Stocks	10	665		802	
Debtors	11	5,500		3,175	
Cash at bank and in hand		2		197	
		6,167		4,174	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(2,254)		(1,307)	
NET CURRENT ASSETS			3,913		2,867
TOTAL ASSETS LESS CURRENT LIABILITIES			9,977		9,014
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13		(433)		(561)
NET ASSETS			9,544		8,453
CAPITAL AND RESERVES					
Called up share capital	15		2,500		2,500
Revaluation reserve	16		698		698
Profit and loss account	16		6,346		5,255
			9,544		8,453

These financial statements were approved by the board of directors on 17<sup>th</sup> Aug 92  
and were signed on its behalf by:

M. LEE

*M. Lee*

Director

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

WEYBURN-BARTEL LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
for the year ended 31 December 1991

	1991		1990	
	£'000	£'000	£'000	£'000
<b>SOURCE OF FUNDS</b>				
Profit on ordinary activities before taxation		1,312		189
Adjustments for items not involving the movement of funds:				
Depreciation of tangible fixed assets	475		404	
(Profit)/loss on sale of plant	(2)		3	
(Profit) on sale of freehold property	(408)		-	
		65		407
		<hr/>		<hr/>
<b>FUNDS GENERATED FROM OPERATIONS</b>		1,377		596
<b>FUNDS FROM OTHER SOURCES</b>				
Finance lease funding	-		470	
Sale proceeds of fixed assets	460		7	
Intra group loan	<u>1</u>		<u>-</u>	
		461		477
		<hr/>		<hr/>
		1,838		1,073
<b>APPLICATION OF FUNDS</b>				
Tax paid	-		272	
Purchase of fixed assets	442		1,988	
Repayments under finance leases	<u>113</u>		<u>81</u>	
		(555)		(2,341)
		<hr/>		<hr/>
<b>INCREASE/(DECREASE) IN WORKING CAPITAL</b>		<u>1,283</u>		<u>(1,268)</u>
<b>COMPONENTS OF INCREASE/(DECREASE) IN WORKING CAPITAL</b>				
Stocks		(137)		(478)
Debtors		2,325		(1,137)
Creditors falling due within one year excluding taxation and obligations under finance leases		(381)		283
Movement in net liquid funds:				
Cash at bank and in hand		(524)		64
		<hr/>		<hr/>
		1,283		(1,268)
		<hr/>		<hr/>

WEYBURN-BARTEL LIMITED

NOTES

(forming part of the financial statements)

1 PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts.

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 depreciated over varying periods of 3 to 13 years on a straight line basis on cost or valuation, depending on type of asset. Leased plant under finance leases is depreciated over 13 years. Buildings are depreciated over 40 years on cost or, where applicable, valuation.

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.

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. All differences are dealt with in the profit and loss account.

Turnover

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

Deferred taxation

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



## NOTES (continued)

## 1 PRINCIPAL ACCOUNTING POLICIES (continued)

## Pension scheme

On the 5 April 1991 The Weyburn Staff and Works Pension Schemes were wound up. The existing members of these pension schemes joined the T&N Retirement Benefits Scheme on the 6 April 1991. Their accumulated benefits under the Weyburn schemes will be transferred into the T&N scheme.

The T&N scheme is a defined benefit scheme and the expected cost of pensions is charged to the profit and loss account so as to spread the cost over the remaining service lives of employees in the scheme. The pension cost is assessed in accordance with the advice of qualified actuaries. Details of the latest actuarial valuation and its funded status are given in the accounts of T&N plc.

## 2 TURNOVER

A geographical analysis of the group's sales is set out below:

	1991 £'000	1990 £'000
United Kingdom	5,569	6,784
Europe	3,285	1,681
North America	117	216
Rest of the world	31	64
	<u>9,002</u>	<u>8,745</u>

## 3 OPERATING PROFIT

(a) Operating profit is stated after charging:

	1991 £'000	1990 £'000
Auditors' remuneration	18	19
Hire of plant and machinery	29	34
Depreciation of tangible fixed assets	321	250
Depreciation of leased plant under finance leases	154	153
	<u>542</u>	<u>456</u>

(b) Other operating income/(expenses):

	1991 £'000	1990 £'000
Profit/(loss) on sale of plant	2	(3)
Exceptional items (see note 3(c))	326	-
	<u>328</u>	<u>(3)</u>

WEYBURN-BARTEL LIMITED

NOTES (continued)

3 OPERATING PROFIT (continued)

(c) Exceptional items:

Sale of land:

On 9 December 1991 the company sold part of its land at Elstead to Tanshire Holdings Limited for a profit £326,233 after deduction of a £82,000 provision for replacement of a car park and associated costs.

4 DIRECTORS' EMOLUMENTS

	1991 £	1990 £
Fees for management services	51,153	60,493
Pension scheme contributions	1,148	-
	<u>52,301</u>	<u>60,493</u>

Directors' emoluments, excluding pension contributions were:

	1991 £	1990 £
Chairman	Nil	Nil
Highest paid director	<u>22,747</u>	<u>60,493</u>

The emoluments of the directors were within the ranges:

	1991 No.	1990 No.
£0 - £ 5,000	6	3
£ 5,001 - £10,000	1	-
£15,001 - £20,000	1	-
£20,001 - £25,000	1	-
£60,001 - £65,000	-	1
	<u>-</u>	<u>1</u>

Three of the directors are employed by other group companies and receive remuneration for their services to the group as a whole.

## NOTES (continued)

## 5 EMPLOYEE INFORMATION

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

	1991 Number	1990 Number
Production	182	195
Selling, distribution and administration	16	17
	<u>198</u>	<u>212</u>

Company employment costs for all employees, including executive directors were as follows:

	1991 £'000	1990 £'000
Wages and salaries	2,878	3,338
Social security	227	280
Other pension costs	(52)	131
	<u>3,053</u>	<u>3,749</u>

The pension charge is stated after a credit of £125,977 attributable to amortisation of the T&N Retirement Benefits Scheme surplus which is being spread over the average remaining service lives of current employees. The pension charge is net of pension provision release of £100,618 being the accumulated equalisation provision no longer required for the Weyburn Staff Pension Schemes wound up during the year.

At 31 December 1991, contributions amounting to £77,494 (1990: £153,978) were payable to the scheme and are included in creditors.

## 6 INTEREST PAYABLE AND SIMILAR CHARGES

	1991 £'000	1990 £'000
Interest payable on bank loans and overdrafts repayable within five years	-	29
Finance lease charges	55	87
	<u>55</u>	<u>116</u>

## WEYLURN-BARTEL LIMITED

## NOTES (continued)

## 7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	1991 £'000	1990 £'000
UK Corporation tax based on the taxable profit for the year at 33¼% (1990: 34¼%)	221	-
Release of deferred tax provision	-	(418)
	<u>221</u>	<u>(418)</u>

The charge to Corporation tax has been reduced by £36,000 (1990: £37,000) as a result of group relief receivable from Cranhold Ltd for nil consideration.

## 8 TANGIBLE FIXED ASSETS

(a)

	Freehold land and buildings £'000	Plant and machinery £'000	Leased plant £'000	Total £'000
Cost or valuation:				
At 1 January 1991	2,700	3,673	1,948	8,321
Additions	9	433	-	442
Disposals	(50)	-	-	(50)
	<u>2,659</u>	<u>4,106</u>	<u>1,948</u>	<u>8,713</u>
At 31 December 1991				
Depreciation:				
At 1 January 1991	8	1,321	845	2,174
Charge for year	23	298	154	475
	<u>31</u>	<u>1,619</u>	<u>999</u>	<u>2,649</u>
At 31 December 1991				
Net book value:				
At 31 December 1991	2,628	2,487	949	6,064
At 31 December 1990	2,692	2,352	1,103	6,147

## WEYBURN-BARTEL LIMITED

## NOTES (continued)

## 8 TANGIBLE FIXED ASSETS (continued)

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	1,831	5,128	1,948	8,907
Less: Accumulated depreciation	(180)	(3,082)	(999)	(4,261)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net book value:				
At 31 December 1991	<u>1,651</u>	<u>2,046</u>	<u>949</u>	<u>4,646</u>
At 31 December 1990	<u>1,667</u>	<u>1,893</u>	<u>1,103</u>	<u>4,663</u>

- (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 were revalued as at 21 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 31 December 1990.

## 9 INVESTMENTS

	1991 £	1990 £
Cost	<u>2</u>	<u>2</u>

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

	1991 £'000	1990 £'000
Raw materials and consumables	27	114
Work in progress	396	555
Finished goods and goods for resale	242	133
	<u>665</u>	<u>802</u>

## WEYBURN-BARTEL LIMITED

## NOTES (continued)

## 11 DEBTORS

	1991 £'000	1990 £'000
Trade debtors	843	1,418
Amounts owed by parent and fellow subsidiary undertakings	4,629	1,749
Prepayments and accrued income	28	8
	<u>5,500</u>	<u>3,175</u>

## 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1991 £'000	1990 £'000
Bank overdraft	329	-
Trade creditors	461	544
Amounts owed to fellow subsidiary undertakings	230	149
Other creditors including taxation and social security (see below)	584	91
Accruals and deferred income	521	410
Current obligations under finance leases (see note 18)	129	113
	<u>2,254</u>	<u>1,307</u>

Other creditors including taxation and social security comprise:

	1991 £'000	1990 £'000
UK corporation tax payable	221	-
VAT, social security and PAYE	363	91
	<u>584</u>	<u>91</u>

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

	1991 £'000	1990 £'000
Amounts owed to subsidiary undertaking	13	12
Non-current obligations under finance leases (see note 18)	420	549
	<u>433</u>	<u>561</u>

WEYBURN-BARTEL LIMITED

NOTES (continued)

14 DEFERRED TAXATION

No provision for deferred taxation has been made at 31 December 1991 as no liability is expected to arise in the foreseeable future.

The total potential liability for deferred taxation calculated at 33% (1990: 34%) is:

	1991 £'000	1990 £'000
Accelerated capital allowances	495	475
Other timing differences	(21)	(39)
	<u>474</u>	<u>436</u>

15 CALLED UP SHARE CAPITAL

	1991 £'000	1990 £'000
Authorised, allotted, called up and fully paid:		
4,875 ordinary shares of 50p each	2	2
4,995,000 deferred shares of 50p each	2,498	2,498
	<u>2,500</u>	<u>2,500</u>

16 RESERVES

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 1991	698	5,255
Retained profit for the financial year	-	1,091
	<u>698</u>	<u>6,346</u>
At 31 December 1991		

17 CAPITAL COMMITMENTS

	1991 £'000	1990 £'000
Contracted for, but not provided in these accounts	230	204
Authorised but not contracted for	12	36
	<u>242</u>	<u>240</u>

WEYBURN-BARTEL LIMITED

NOTES (continued)

18 LEASING COMMITMENTS

(a) Finance leases

The future minimum lease payments to which the company is committed as at 31 December 1991 under finance leases and non-cancellable operating leases are as follows:

	1991 £'000	1990 £'000
Within one year	182	182
Within two to five years	479	661
	<hr/>	<hr/>
	661	843
Less: finance charges allocated to future periods	(112)	(181)
	<hr/>	<hr/>
	549	662
	<hr/>	<hr/>
Shown as:		
Amount falling due within one year	129	113
Amounts falling due after more than one year	420	549
	<hr/>	<hr/>
	549	662
	<hr/>	<hr/>

(b) Operating leases

The company's commitments in respect of operating leases during the year to 31 December 1992 are as follows:

	1992 £'000	1991 £'000
Leases expiring:		
- Within one year	26	10
- Within two to five years	14	8
	<hr/>	<hr/>

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.

20 ULTIMATE HOLDING COMPANY

The company's ultimate holding company at 31 December 1991 was T&N plc, a company registered in England and Wales. Copies of the Report and Financial Statements of T&N plc may be obtained from T&N plc, Bowdon House, Ashburton Road West, Trafford Park, Manchester, M17 1RA.