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REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31st DECEMBER 1981



BAYER UK LIMITED

REPORT AND ACCOUNTS

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BAYER UK LIMITED

DIRECTORS

Duke of Portland C.M.G	(Chairman)
Mr J V Webb	(Managing)
Dr E H Rohe	
The Lord Walston	
Dr F J Weitkemper	

BANKERS

Barclays Bank PLC  
Chemical Bank  
Hambros Bank Limited

AUDITORS

Kingston Smith & Company  
Chartered Accountants

SOLICITORS

Kenneth Brown Baker Baker

SECRETARY

M J M Mills F.C.A

REGISTERED OFFICE

Bayer House  
Richmond  
Surrey  
TW9 1SJ

26th February 1982

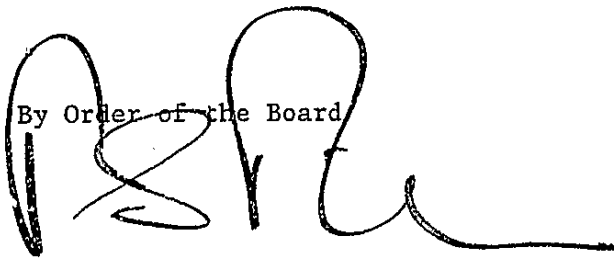
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BAYER UK LIMITED

N O T I C E is hereby given that the Fourteenth Annual General Meeting of the Members of the Company will be held at Bayer House, Richmond, Surrey on 30th March 1982 at 11.00 a.m. for the purpose of transacting the following business:

1. To receive the Directors' Report, the Balance Sheet and Accounts and the Auditors' Report for the Year Ended 31st December 1981.
2. To Declare a Dividend.
3. To elect Directors.
4. To re-appoint Kingston Smith & Company as Auditors to the Company for the ensuing year.
5. To transact any other business of an Annual General Meeting.

By Order of the Board



M J M Mills  
Secretary

26th February 1982

A Member entitled to attend and vote may appoint one or more proxies to attend, and on a poll to vote instead of him. A proxy need not be a Member of the Company.

BAYER UK LIMITED

REPORT OF THE DIRECTORS

The Directors submit their Report with the Balance Sheet of the Company as at the 31st December 1981 and the Group Accounts for the Year Ending on that date.

ACTIVITIES

The Company's principal activity is the marketing of own manufactured chemical products, and those manufactured by Bayer AG of the Federal Republic of Germany and its Subsidiaries.

SUBSIDIARY COMPANIES

The two wholly owned Subsidiary Companies incorporated in England are:

Haarmann & Reimer Limited - compound and market aromatic chemicals, flavours, fragrances and essential oils.

James Kent Limited, which was acquired during the year - mill ceramic materials and manufacture domestic earthenware.

RESULTS AND STATE OF AFFAIRS

The Total Sales for the year under review were £150,755,066. The Export Sales, including the sales to Bayer Companies abroad, totalled £5,057,882.

Despite the continuing economic downturn the overall profit for the year was satisfactory resulting in a net profit of £1,056,235 after providing for taxation of £163,154 and interest charges of £1,811,578. The Directors recommend the payment of a Dividend of 10% - £350,000 (1980 - 5% - £175,000). It is proposed that the balance of £5,213,551 on the Profit and Loss Account be carried forward.

FIXED ASSETS

The movement on Fixed Assets is set out in Note 3 to the Accounts.

#### MARKET VALUE OF LAND AND BUILDINGS

Freehold and Leasehold properties which are included in Fixed Assets in the Consolidated Balance Sheet as at 31st December 1981 at the Net Book Value of £3,860,007 had, in the opinion of the Directors at that date, a market value of approximately £6,625,000.

#### CHARITABLE DONATIONS

During the financial year the sum of £11,620 was donated to United Kingdom charitable organisations. No payments were made for political purposes.

#### CURRENT COST ACCOUNTING

In the opinion of the Directors the production of Supplemental Current Cost Accounts as required by the Accounting Standards Committee under S.S.A.P. 16 would be of no benefit to the Shareholders.

#### EMPLOYMENT OF DISABLED PERSONS

It is the Company's policy to make available employment opportunities on an equal basis to all. Within this context the employment of disabled persons is a very major concern.

#### DIRECTORS AND EMPLOYEES

The Directors during the year were:

The Duke of Portland

Mr J V Webb

Dr E H Rohe (Appointed 24/4/81)

Mr H J Strenger (Resigned 24/4/81)

The Lord Walston

Dr F J Weitkemper.

The Duke of Portland and Dr F J Weitkemper retire by rotation at the Annual General Meeting and both being eligible, offer themselves for re-election.

No Director has any interest in shares or debentures and unsecured loan stock as defined by the Companies Act 1967 in any Group Company.

EMPLOYEES

The average number of employees of the Group during the year was 1179 (1980 - 956) to whom aggregate remuneration of £8,411,998 (1980 - £6,443,443) was paid.

*Portland*

DUKE OF PORTLAND

CHAIRMAN

---

26th February 1982

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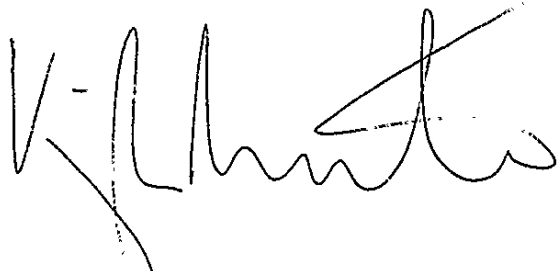
REPORT OF THE AUDITORS

TO THE MEMBERS OF BAYER UK LIMITED

We have examined the financial statements on pages eight to twenty-four in accordance with approved Auditing Standards.

In our opinion the financial statements which have been prepared under the historical cost convention give a true and fair view of the state of affairs of the Company and the Group at 31st December 1981, and of the Profit and Source and Application of Funds of the Group for the year ended on that date and comply with the Provisions of the Companies Acts 1948 to 1981 that were relevant to these statements.

The financial statements do not contain the current cost accounts required by Statement of Standard Accounting Practice Number 16.



Devonshire House  
146 Bishopsgate  
LONDON  
EC2M 4JX

Kingston Smith & Company  
Chartered Accountants

26th February 1982

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BAYER UK LIMITED AND SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

31st DECEMBER 1981

	<u>Notes</u>	<u>1981</u> £	<u>1980</u> £
Gross Turnover	2B	<u>150,755,066</u>	<u>141,638,039</u>
Group Trading Profit before Interest	2C	3,030,967	3,697,816
Interest Charges	2D	<u>1,811,578</u>	<u>3,080,421</u>
Group Profit before Taxation		1,219,389	617,395
Taxation	2E	<u>163,154</u>	<u>55,346</u>
Group Profit after Taxation		1,056,235	562,049
Extraordinary Item	2F	<u>-</u>	<u>15,150</u>
		1,056,235	546,899
Balance, brought forward		<u>4,507,316</u>	<u>4,135,417</u>
		5,563,551	4,682,316
Proposed Dividend		<u>350,000</u>	<u>175,000</u>
		<u>£ 5,213,551</u>	<u>£ 4,507,316</u>
Retained in Bayer UK Limited		4,805,934	4,020,065
Retained in Subsidiaries		407,617	487,251
		<u>£ 5,213,551</u>	<u>£ 4,507,316</u>

BAYER UK LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AS AT 31st DECEMBER 1981

			<u>1981</u>	<u>1980</u>
	<u>Notes</u>	£	£	£
FIXED ASSETS	3		7,072,066	6,082,536
CURRENT ASSETS	5	46,478,205	41,629,165	
CURRENT LIABILITIES	6	<u>44,302,304</u>	<u>39,454,495</u>	
NET CURRENT ASSETS			2,175,901	2,174,670
DEFERRED TAXATION	7		15,600	28,754
			<u>9,263,567</u>	<u>8,285,960</u>
PROPOSED DIVIDEND			350,000	175,000
NET ASSETS			<u>£8,913,567</u>	<u>£8,110,960</u>
FINANCED BY:				
SHARE CAPITAL	8		3,500,000	3,500,000
RESERVES	9		<u>5,413,567</u>	<u>4,610,960</u>
			<u>£8,913,567</u>	<u>£8,110,960</u>

*Portland*

Portland )

*John V Webb*  
John V Webb )

) Directors  
)  
)

Approved by the Board on 26th February 1982

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BAYER UK LIMITED

BALANCE SHEET AS AT 31st DECEMBER 1981

			<u>1981</u>	<u>1980</u>
	<u>Notes</u>	£	£	£
FIXED ASSETS	3		5,600,683	5,831,220
SUBSIDIARY COMPANIES	4			
Shares at Cost		1,184,838		16,969
Due on Current Account		159,329		42,782
			1,344,167	59,751
			6,944,850	5,890,971
CURRENT ASSETS	5	44,570,298		40,960,543
CURRENT LIABILITIES	6	42,840,570		39,156,159
NET CURRENT ASSETS			1,729,728	1,804,384
DEFERRED TAXATION	7		-	18,354
			8,674,578	7,713,709
PROPOSED DIVIDEND			350,000	175,000
NET ASSETS			£8,324,578	£7,538,709

FINANCED BY:

SHARE CAPITAL	8		3,500,000	3,500,000
RESERVES	9		4,824,578	4,038,709
<i>Portland</i>			£8,324,578	£7,538,709
Portland	)			

) Directors

) John V Webb

Approved by the Board on 26th February 1982

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BAYER UK LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1981

1. ACCOUNTING POLICIES

A. The Consolidated Accounts have been prepared under the historical cost convention and incorporate the accounts for the Year Ended 31st December 1981 of Bayer UK Limited, Haarmann & Reimer Limited and James Kent Limited.

B. Fixed Assets have been depreciated on a straight-line basis in such a way that they are fully depreciated over their estimated useful lives or less at the following annual rates:

Freehold Buildings	2½% and 5 %
Premises Held on Long Lease	2½% and 5 %
Premises Held on Short Lease - Written off over the Period of the Lease or	2½%
Improvements to Rented and Leasehold Premises	5 %
Furniture & Fixtures	10 %
Plant & Machinery	10%, 14%, 20%, 50%
Office, Warehouse & Laboratory Equipment	20 %
Motor Vehicles & Farm Equipment	25 %

C. Intangible Assets have been written off as it is not the Group's policy to attribute value to Goodwill, Patents, Know-how and Trade Marks.

D. Stocks have been valued at Cost or Net Realisable Value, whichever is lower on a basis consistent with previous years. Cost includes appropriate overheads for Work in Progress and Finished Goods.

BAYER UK LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1981

ACCOUNTING POLICIES - Continued

- E. Provision has not been made for tax liabilities which, under current legislation, are expected to be deferred indefinitely because of the availability of tax allowances for fixed asset expenditure and stock appreciation relief. Provision has been made for other timing differences on the liability method.

Advance corporation tax is only carried forward if covered by deferred taxation or corporation tax provision.

- F. Foreign Currencies have been converted into Sterling at the rates ruling at the Balance Sheet date.

2. NOTES ON THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

- A. Bayer UK Limited is a wholly owned Subsidiary of Bayer Foreign Investments Limited of Canada.

B. Turnover

Group Turnover represents sales to third parties, less Returns and Value Added Tax.

C. Trading Profit Before Interest

	<u>The Group</u>		<u>Bayer UK Limited</u>	
	<u>1981</u>	<u>1980</u>	<u>1981</u>	<u>1980</u>
	£	£	£	£
is stated after charging:				
Loss on Sale of Fixed Assets	56,076	4,382	46,924	4,832
Depreciation of Fixed Assets	1,024,341	928,741	879,115	874,424
Special Depreciation	71,265	71,265	71,265	71,265
Hire of Plant and Equipment	331,881	132,723	319,683	132,723
Auditors' Remuneration	80,700	62,114	62,100	57,754

BAYER UK LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1981

2C Trading Profit Before Interest - Continued

	<u>1981</u>	<u>1980</u>
	£	£
Remuneration of Directors of Bayer UK Limited		
In respect of duties wholly or mainly discharged in the United Kingdom		
As Directors	12,950	12,850
As Executive	29,900	25,775
Contribution under a Pension Scheme	3,857	3,392
In respect of duties wholly or mainly discharged outside the United Kingdom		
As Directors	5,000	5,000
	<u>51,707</u>	<u>47,017</u>
Paid by Subsidiary Company	1,000	1,000
Paid by Bayer UK Limited	<u>50,707</u>	<u>46,017</u>
Emoluments of Chairman	9,450	9,350
of Highest Paid Director	<u>30,900</u>	<u>26,775</u>
Other Directors whose total remuneration was in the bracket:		
Up to £5,000	<u>4</u>	<u>3</u>
<u>Employees' Emoluments</u>		
Number of Employees of Bayer UK Limited whose emoluments were within the range		
£20,001 - £25,000	<u>13</u>	<u>10</u>

BAYER UK LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1981

<u>NOTE 2D</u>	<u>1981</u>	<u>1980</u>
	£	£
<u>INTEREST CHARGES</u> payable to		
Group's Bankers in respect of:		
Acceptance Credit Facilities	1,367,088	1,327,004
Overdraft Facilities	257,884	650,135
Other Short Term Borrowings	318,572	953,705
Short Term Loan	30,676	225,373
	<u>1,974,220</u>	<u>3,156,217</u>
<u>Less:</u>		
Interest Received	162,642	75,796
	<u>£1,811,578</u>	<u>£3,080,421</u>

<u>NOTE 2E</u>	<u>The Group</u>	<u>1981</u>	<u>1980</u>
		£	£
Deferred Taxation:			
Short Term Timing Differences			
Parent Company		18,354	(18,354)
Subsidiary Companies		(5,200)	(1,300)
Advance Corporation Tax not considered recoverable in the foreseeable future		150,000	75,000
		<u>£ 163,154</u>	<u>£ 55,346</u>

The taxation charge has been reduced by £714,405 (1980 - £823,400) in respect of stock relief.

<u>NOTE 2F</u>	<u>1981</u>	<u>1980</u>
	£	£
Unquoted Investment written off	-	15,150

## Note 3

## FIXED ASSETS - Summary of Movements

Group	CONSTRUCTION IN PROGRESS	FREEHOLD PROPERTIES	PREMISES HELD ON LONG LEASE	PREMISES HELD ON SHORT LEASE	IMPROVEMENTS TO RENTED & LEASEHOLD PREMISES	PLANT & MACHINERY	OFFICE FURNITURE & EQUIPMENT	MOTOR VEHICLES	TOTAL
									£
<b>COST</b>									
1st January 1981	117,560	2,782,782	595,081	45,000	127,541	2,389,428	909,408	1,952,812	8,919,612
Additions	242,373	144,402	4,916	179,600 *	112,792	168,168	150,780	395,727	1,398,758
New Subsidiary	-	851,627	-	-	-	829,381	3,154	77,025	1,761,187
Transfers	(116,074)	1,981	-	-	22,717	78,236	8,717	4,423	-
Disposals	243,859	3,780,792	599,997	224,600	263,050	3,465,213	1,072,059	2,429,987	12,079,557
	-	-	-	-	1,448	15,785	70,207	827,922	915,362
	243,859	3,780,792	599,997	224,600	261,602	3,449,428	1,001,852	1,602,065	11,164,195
<b>DEPRECIATION</b>									
1st January 1981	-	446,994	59,160	45,000	66,198	1,200,679	481,305	537,739	2,837,075
Provisions for the Year	-	84,308	18,219	-	20,577	313,084	115,399	472,754	1,024,341
Special Depreciation	-	46,874	-	-	-	24,391	-	-	71,265
New Subsidiary	-	44,827	-	-	-	505,858	1,540	47,961	600,186
Transfers	-	-	-	-	49	(49)	-	-	-
	-	623,003	77,379	45,000	86,824	2,043,963	598,244	1,058,454	4,532,867
	-	-	-	-	1,448	14,959	65,857	358,474	440,738
Elimination on Disposals	-	623,003	77,379	45,000	85,376	2,029,004	532,387	699,980	4,092,129
Net Book Value 31.12.81	243,859	3,157,789	522,618	179,600	176,226	1,420,424	469,465	902,085	7,072,066
Net Book Value 31.12.80	117,560	2,335,788	535,921	-	61,343	1,188,749	428,103	1,415,073	6,082,537

\* Represents costs incurred for the lease of a new office building which was agreed but not completed.



## NOTES TO THE ACCOUNTS AS AT 31ST DECEMBER 1981

## Note 3

## FIXED ASSETS - Summary of Movements

	CONSTRUCTION IN PROGRESS	FREEHOLD PROPERTIES	PREMISES HELD ON LONG LEASE	PREMISES HELD ON SHORT LEASE	IMPROVEMENTS TO RENTED & LEASEHOLD PREMISES	PLANT & MACHINERY	OFFICE FURNITURE & EQUIPMENT	MOTOR VEHICLES	TOTAL
Parent Company									£
COST									
1st January 1981	117,560	2,782,732	476,212	45,000	87,499	2,280,611	765,766	1,891,287	8,446,717
Additions	236,019	129,232	4,916	179,600 *	19,704	94,635	123,367	380,784	1,168,257
Transfers	(116,074)	1,981	-	-	22,717	78,236	8,717	4,423	-
	237,505	2,913,995	481,128	224,600	129,920	2,453,482	897,850	2,276,494	9,614,974
Disposals	-	-	-	-	1,448	15,183	65,033	790,444	872,108
	237,505	2,913,995	481,128	224,600	128,472	2,438,299	832,817	1,486,050	8,742,866
DEPRECIATION									
1st January 1981	-	446,994	29,441	45,000	32,159	1,115,344	428,157	518,402	2,615,497
Provisions for the Year	-	64,650	12,269	-	15,542	245,757	95,306	445,591	879,115
Special Depreciation	-	46,874	-	-	-	24,391	-	-	71,265
Transfers	-	-	-	-	49	(49)	-	-	-
	-	558,518	41,710	45,000	47,750	1,385,443	523,463	963,993	3,565,877
Elimination on Disposals	-	-	-	-	1,448	14,674	63,947	343,625	423,694
	-	558,518	41,710	45,000	46,302	1,370,769	459,516	620,368	3,142,183
Net Book Value 31.12.81	237,505	2,355,477	439,418	179,600	82,170	1,067,530	373,301	865,682	5,600,683
Net Book Value 31.12.80	117,560	2,335,788	446,771	-	55,340	1,165,267	337,609	1,372,885	5,831,220

\* Represents costs incurred for the lease of a new office building which was agreed but not completed.

BAYER UK LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1981

NOTE 4

The wholly owned Subsidiary Companies are Haarmann & Reimer Limited and James Kent Limited incorporated in England.

Classes of Share

Haarmann & Reimer Limited:	100,000 ordinary shares of £1 each, fully paid.
James Kent Limited:	219,000 1% non-cumulative preference shares of £1 each, fully paid.
	219,000 ordinary shares of £1 each, fully paid.

James Kent Limited was acquired on 5th January 1981 for a consideration of £1,167,869. The Group Trading Profit after Taxation is after deducting a loss of £299,344 in respect of this Subsidiary.

BAYER UK LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ACCOUNTS AS AT 31st DECEMBER 1981

	<u>Note</u>	<u>The Group</u>		<u>Bayer UK Limited</u>	
		<u>1981</u>	<u>1980</u>	<u>1981</u>	<u>1980</u>
		£	£	£	£
<u>NOTE 5</u>					
<u>CURRENT ASSETS</u>					
Stocks on Hand		14,948,686	14,601,035	14,279,928	14,388,147
Stocks in Transit		1,306,798	1,070,544	1,222,724	1,038,954
Total Stocks	10	16,255,484	15,671,579	15,502,652	15,427,101
Short Term Loan		500,000	-	500,000	-
Debtors - Trade		25,938,493	23,531,753	24,868,266	23,119,921
Miscellaneous		680,188	441,981	669,973	436,454
Prepayments		674,669	356,119	650,674	350,045
Bills Receivable		-	22,017	-	22,017
Due from Ultimate Holding Company		369,146	253,812	369,146	253,812
Due from other Group Companies		1,382,969	838,389	1,333,368	838,389
Balances at Bank and in Hand		677,256	513,515	676,219	512,804
		<u>£46,478,205</u>	<u>£41,629,165</u>	<u>£44,570,298</u>	<u>£40,960,543</u>

NOTE 6

CURRENT LIABILITIES

Due to Parent and Ultimate Holding Companies	9,943,625	10,231,905	9,943,625	10,231,905
Due to other Group Companies	1,431,435	1,079,654	1,269,774	973,849
Creditors - Trade	3,997,239	4,138,734	3,686,338	4,113,405
Miscellaneous	8,157,183	4,784,177	7,790,833	4,698,914
Current Taxation	150,000	247,505	150,000	247,505
Bills Payable	20,000,000	5,000,000	20,000,000	5,000,000
Short Term Bank Borrowings and Overdrafts	622,822	10,967,552	-	10,885,613
Other Short Term Borrowings	-	3,004,968	-	3,004,968
	<u>£44,302,304</u>	<u>£39,454,495</u>	<u>£42,840,570</u>	<u>£39,156,159</u>

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1981NOTE 7DEFERRED TAXATION

The total potential liabilities, and the amount provided against each at current rates of Corporation Tax, in respect of all timing differences and stock relief are as follows:

	<u>THE GROUP</u>			
	<u>1981</u>		<u>1980</u>	
	Full Potential Liability	Deferred Asset	Full Potential Liability	Deferred Asset
	£	£	£	£
Accelerated Capital Allowances	1,362,834	-	1,018,848	-
Advance Corporation Tax	(899,058)	-	(749,058)	-
Short Term Timing Differences	(31,200)	(15,600)	(28,754)	(28,754)
Losses Carried Forward	(432,576)	-	(241,036)	-
	<u>-</u>	<u>(15,600)</u>	<u>-</u>	<u>(28,754)</u>

	<u>BAYER UK LIMITED</u>			
	<u>1981</u>		<u>1980</u>	
	Full Potential Liability	Deferred Asset	Full Potential Liability	Deferred Asset
	£	£	£	£
Accelerated Capital Allowances	921,352	-	963,283	-
Advance Corporation Tax	(899,058)	-	(749,058)	-
Short Term Timing Differences	-	-	(18,354)	(18,354)
Losses Carried Forward	(22,294)	-	(195,871)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,354)</u>

There are tax losses carried forward and available to be set off against future taxable profits amounting to £2,628,387 (1980 - £2,662,053). These tax losses include stock relief claimable under the Finance Act 1981 but not utilised of £1,253,782. The components of this amount are only available for utilisation against taxable profits within six years of the year in respect of which the relief was originally claimable.

BAYER UK LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1981

	<u>1981</u>	<u>1980</u>
	£	£
<u>NOTE 8</u>		
<u>SHARE CAPITAL OF BAYER UK LIMITED</u>		
<u>Authorised</u>		
3,500,000 Ordinary Shares of £1 each	£3,500,000	£3,500,000
	<u>          </u>	<u>          </u>
<u>Issued and Fully Paid</u>		
3,500,000 (1980 - 3,500,000) Ordinary Shares of £1 each	£3,500,000	£3,500,000
	<u>          </u>	<u>          </u>

The whole of the Issued Share Capital is held by Bayer Foreign Investments Limited (Incorporated in Canada). The Directors are informed that Bayer AG (incorporated in the Federal Republic of Germany) is the Company's Ultimate Holding Company.

BAYER UK LIMITED AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1981

	<u>The Group</u>		<u>Bayer UK Limited</u>	
	<u>1981</u>	<u>1980</u>	<u>1981</u>	<u>1980</u>
	£	£	£	£
<u>NOTE 9</u>				
<u>RESERVES</u>				
At Commencement of the Year	4,610,960	4,239,061	4,038,709	3,777,638
Retained Profit for the Year	706,235	371,899	785,869	261,071
	<u>5,317,195</u>	<u>4,610,960</u>	<u>4,824,578</u>	<u>4,038,709</u>
Capital Reserve arising on Consolidation	96,372	-	-	-
	<u>£5,413,567</u>	<u>£4,610,960</u>	<u>£4,824,578</u>	<u>£4,038,709</u>
Represented by:				
Profit and Loss Account	5,213,551	4,507,316	4,805,934	4,020,065
Capital Reserve	183,544	87,172	2,172	2,172
General Reserve	16,472	16,472	16,472	16,472
	<u>£5,413,567</u>	<u>£4,610,960</u>	<u>£4,824,578</u>	<u>£4,038,709</u>

# BAYER UK LIMITED AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1981

	<u>The Group</u>		<u>Bayer UK Limited</u>	
	<u>1981</u>	<u>1980</u>	<u>1981</u>	<u>1980</u>
<u>NOTE 10</u>	£	£	£	£
Stocks comprise the following:				
Raw Materials	1,067,645	1,790,954	613,950	1,611,188
Goods for Resale	15,187,839	13,880,625	14,888,702	13,815,913
	<u>£16,255,484</u>	<u>£15,671,579</u>	<u>£15,502,652</u>	<u>£15,427,101</u>

### NOTE 11

#### FUTURE CAPITAL EXPENDITURE

(i) Contracted for but not provided for in the Consolidated Accounts	£ 15,400	£ 1,391,481	£ 11,400	£ 1,391,481
(ii) Authorised but not Contracted for in the Consolidated Accounts	£ 481,342	£ 216,710	£ 468,342	£ 118,710

### NOTE 12

#### CONTINGENT LIABILITIES

At the 31st December 1981 the Group had Contingent Liabilities amounting to £20,500 (1980 - £379,170). Bayer UK Limited had Contingent Liabilities of £ 8,500 (1980 - £379,170).

### NOTE 13

#### POST BALANCE SHEET EVENT

Since the Balance Sheet date the Company's enamel production unit at Bilston has been closed and the work force made redundant. The future of this operation is at present uncertain, but if production has ceased permanently there could be a maximum cost of £500,000 in respect of writing down the plant and equipment, redundancy costs and liability for ongoing premises costs.

BAYER UK LIMITED AND SUBSIDIARIES

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

	<u>1981</u>	<u>1980</u>
	£	£
<u>SOURCE OF FUNDS</u>		
Profit for the Year before Taxation	1,219,389	617,395
Depreciation	1,024,341	928,741
Special Depreciation	71,265	71,265
Loss on Sale of Fixed Assets	56,076	4,842
	<hr/>	<hr/>
<u>TOTAL GENERATED FROM OPERATIONS</u>	2,371,071	1,622,243
Capital Reserve arising on		
Acquisition of Subsidiary	96,372	-
Proceeds from Disposal of Fixed Assets	418,548	465,283
Decrease in Working Capital	-	2,423,065
	<hr/>	<hr/>
	2,885,991	4,510,591
 <u>APPLICATION OF FUNDS</u>		
Purchase of Fixed Assets	2,559,759	3,082,432
Tax Paid	247,505	20,840
Dividend Paid	577,500	-
Increase in Working Capital	987,788	-
	<hr/>	<hr/>
	4,372,552	3,103,272
 (INCREASE) OR DECREASE IN NET OVERDRAFTS AND SHORT TERM BORROWINGS	 £1,486,561	 £(1,407,319)
	<hr/>	<hr/>
 <u>MOVEMENT IN WORKING CAPITAL</u>		
	<u>Source</u>	<u>Application</u>
Stock	583,905	1,191,972
Debtors	4,101,394	1,332,634
Creditors	3,697,511	101,541
	<hr/>	<hr/>
	3,697,511	2,524,606
	<hr/>	<hr/>
	3,697,511	101,541
	<hr/>	<hr/>
	£ 987,788	£2,423,065
	<hr/>	<hr/>



BAYER UK LIMITED AND SUBSIDIARIES

CONSOLIDATED SOURCE AND APPLICATION OF FUNDS STATEMENT

FOR THE YEAR ENDED 31st DECEMBER 1981

Continued

SUMMARY OF EFFECTS OF ACQUISITION OF JAMES KENT LIMITED

Net Assets Acquired

Fixed Assets	1,161,001
Stocks	384,698
Investment	1,350
Debtors	476,619
Recoverable Corporation Tax	44,209
Creditors	(552,437)
Bank Overdraft	(251,199)

£1,264,241

Discharged By

Cash Paid	1,167,869
Capital Reserve	96,372

£1,264,241