

SKF

1952

ANNUAL REPORT
OF
AKTIEBOLAGET
SVENSKA KULLAGERFABRIKEN
(THE SWEDISH BALL BEARING COMPANY)
FOR THE FORTYSIXTH FISCAL YEAR
ENDED
31st DECEMBER 1952



When Sven Wingquist, the founder and leader of our enterprise, passed away on the 17th of April, 1953, a life's work of rare significance and magnitude came to an end. Little could Sven Wingquist foresee what form the future would assume, when, in February 1907, he put his name under SKF's memorandum of association. However, he lived to develop our Company from modest beginnings to a world enterprise of a size unusual in our country. It is a remarkable fact that all this has taken place within such a relatively short time, but more remarkable still is that the leadership of the Company has remained in the hands of one man, its founder, all this time. Against this background it is easy to understand how deeply the loss is felt within our Concern, now that Sven Wingquist is no longer amongst us. His importance and authority in SKF have been immeasurably great, and his achievements have been the foundation of the progress of the Concern. His greatness lay not only in his accomplishments as an inventor but also in the unusual capacity he displayed in the creation of SKF's Swedish and world organization both in the technical and commercial fields. SKF has always followed and still follows the guiding principles laid down by Sven Wingquist. He had the rare gift of inspiring his colleagues in the Company and of creating a spirit akin to his own. This spirit involved not only the demand for hard and self-sacrificing work for the Company's success but also a feeling for strong unity and good comradeship. His consideration for his collaborators expressed itself in personal efforts to improve their well-being, and on many occasions he took the initiative, in a farsighted way, in the social field. This has formed the basis of the good relations which have prevailed and continue to prevail between the Company and its employees.

During the time it has been our privilege to work under Sven Wingquist's firm and inspiring leadership, we have had many opportunities of admiring his vision and wisdom. His loyalty as a friend and his great understanding in many difficult situations has been of priceless value for all of us. It is the imperative duty of everyone belonging to the SKF family to do his best to consolidate Sven Wingquist's spirit within our enterprise and to carry on his great work, SKF, to continued development and success.

Hans Håmberg

Gothenburg, April, 1953.

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31st DECEMBER, 1952

GENERAL MEETING
TO BE HELD AT THE OFFICES OF
SKANDINAVISKA BANKEN IN GOTHENBURG
10.00 a. m. ON TUESDAY, 26th MAY, 1953

AKTIEBOLAGET
SVENSKA KULLAGERFABRIKEN

HEAD OFFICE — GOTHENBURG

DIRECTORS

SVEN WINGQUIST (Chairman)	Gothenburg
JACOB WALLENBERG (Vice-Chairman)	Stockholm
ERIK WETTER	Stockholm
HARALD HAMBERG	Gothenburg
SVERRE R:son SOHLMAN	Karlskoga
RAOUL NORDLING	Paris
PETER K:son MARK	Gothenburg

DEPUTIES

JOEL LARSSON	Gothenburg
EINAR GLIMSTEDT	Gothenburg

EXECUTIVE MANAGEMENT

HARALD HAMBERG, Managing Director
JOEL LARSSON, Vice Managing Director

AUDITORS

CARL EKMAN
HAKON LEFFLER
EDVARD STENBERG
ALFRED WIGELIUS

BANKERS

SKANDINAVISKA BANKEN AKTIEBOLAG	Gothenburg
STOCKHOLMS ENSKILDA BANK	Stockholm

REPORT OF THE BOARD OF DIRECTORS ON THE COMPANY'S ACTIVITIES IN 1952

The Board of Directors, referring to the attached Profit and Loss Account and Balance Sheet, submits the following report for the year 1952.

In the Available Surplus Account there remained at the beginning of 1952 an amount of Kr. 69,777,171: 13 Operations in 1952, after providing for depreciation on plant and properties etc. with

Kr. 17,630,593: 45, setting aside Kr. 25,000,000: — for taxes and Kr. 3,000,000: —

for investment tax, have resulted in a net profit of > 35,325,511: 87

Therefore, the total available surplus at the disposal of the Shareholders' Meeting

amounts to Kr. 105,102,683: —

The Board of Directors proposes

that a dividend of Kr. 12: — per share and a bonus of Kr. 3: — per share be paid

on coupon No. 43 Kr. 23,400,000: —

and that the remainder be left in the Available Surplus Account > 81,702,683: —

Kr. 105,102,683: —

At the beginning of 1952, unpaid taxes amounted to Kr. 43,679,289: 64. During 1952, Kr. 25,000,000: — was set aside for taxes and Kr. 3,000,000: — for investment tax, totalling Kr. 28,000,000: —. On the other hand, taxes were paid to the amount of Kr. 71,020,938: 56, the total of unpaid taxes at the end of 1952 being thus recorded at Kr. 658,351: 08. The amount paid out during the year includes preliminary tax for 1952, amounting to slightly more than 34 million kronor. Since the tax on the year's operations is calculated at a little over 27 million kronor, a surplus of about 7 million kronor remains, which covers the calculated investment tax as well as tax and interest on tax on the Company's trade equalization funds. The unpaid taxes account has included tax and interest on tax on the trade equalization funds ever since these funds were formed.

In the balance sheet and accounts here submitted, the disposal of the surplus has been made as proposed by the Board of Directors, subject to the approval of the shareholders.

The following amounts have gone to workers and other employees, the government, municipalities, and shareholders:

In 1951 (thousands of kronor)		In 1952 (thousands of kronor)
84,692	54 0/0 To workers and other employees as wages, salaries, etc.	104,680
2,000	1 0/0 To the health and recovery funds for SKF's workers in Sweden	—
46,500	30 0/0 To the government and municipalities as taxes	28,000
23,400	15 0/0 To shareholders as dividends and bonus	23,400
<u>156,592</u>	<u>100 0/0</u>	<u>156,080</u>

The total sales from the Swedish factories during 1952 amounted to Kr. 295,996,082: 24. Domestic sales increased about 15 0/0, whereas export sales decreased slightly. Production increased, owing to continued rationalization, factory extensions, and an improved labour situation, and the finished stock increased too, the result being an improvement in the Company's ability to deliver its products.

The prevailing credit restrictions obliged many Swedish customers to demand a postponement of deliveries. Similar steps were taken on a still larger scale by customers abroad, the reason being the difficulty in obtaining import licenses and payment permits to the same extent as previously, despite improved marketing conditions and increased requirements. The turnover therefore could not be increased as much as would otherwise have been possible. Such difficulties were encountered by the Company's competitors abroad, and keener competition as regards prices was therefore also noticed.

For reasons stated above, orders received were considerably less than in 1951. Nevertheless, the Company's undelivered orders are still considerable.

Of the Company's sales during 1952 of ball and roller bearings and appurtenant parts from the factories in Gothenburg and Katrineholm, 64 % represented export sales and 36 % domestic sales. Of the total sales (including steel from Hofors), 69 % were export sales.

The export of Hofors steel increased considerably during 1952, but the sales to Swedish customers diminished somewhat. The quantity of steel rolled during 1952 was 110,785 tons (1951—109,525 tons), and the deliveries of finished material amounted to 93,228 tons in 1952 (1951—90,025 tons).

The Company's orders on hand at December 31st for each of the years 1943—1952 have been as follows:

1943	Kr.	72,700,000	1948	Kr.	187,000,000
1944	»	42,000,000	1949	»	153,600,000
1945	»	74,200,000	1950	»	179,400,000
1946	»	155,500,000	1951	»	289,200,000
1947	»	190,000,000	1952	»	210,800,000

MANUFACTURING COMPANIES ABROAD

The programme previously adopted for the expansion of the factories in the USA was followed, although at a slightly slower pace, and the production capacity of these factories increased considerably. Sales, on the other hand, diminished somewhat during the year, as compared with 1951. This was partly due to a strike which interrupted production for about two months, partly to a certain readjustment of industry in the USA caused by rearmament.

The production of the British Company was satisfactory, and the sales increased considerably.

The French Company, also, increased the sales, and obtained a better margin of profit than in 1951. The factory extensions previously planned and mentioned in last year's report had to be curtailed, however, for various reasons. Yet, the French factory at Saint-Cyr-sur-Loire near Tours was inaugurated in November 1952, and its production is now well under way.

The German Company increased its turnover still more during the year and continued to rationalize its production by means of increased investment.

At the Canadian factory, further extensions were carried out, but the rate of expansion had to be somewhat restrained.

The erection of the Benelux factory at Veenendaal in Holland, mentioned in last year's report, was continued during 1952. During 1953, production was started on a small scale, and it is expected to attain respectable proportions towards the end of the year.

The taxation of the manufacturing companies abroad is still rather burdensome, especially in the USA, Germany, and Great Britain.

SELLING COMPANIES ABROAD

The establishment of SKF office, sales, and service premises, in accordance with decisions previously taken, was completed or is approaching completion. Further extensions of this kind were decided upon in certain important markets, such as Brazil, Australia, and South-West Africa. The Belgian Company opened an office at Elisabethville in the Belgian Congo, which is a promising industrial market.

PLANT AND PROPERTIES IN SWEDEN

New buildings were erected and modernizations effected during the year at a total net cost of 27.9 million kronor (1951 — 20.2 million kronor).

In Gothenburg, production was started in part of the last section of the D-factory. The work of erecting the first part of a new office building was commenced.

At Hofors, the new building for cold-rolling tubes was completed, and some buildings for the new Vingesbacke mine as well as a building for the production of iron-sponge began to be erected.

At Katrineholm, the erection of a pattern-making shop etc. started, and preparations were made for installing an additional high-frequency furnace.

At the Lidköping works, no extensions were made. Lidköpings Mekaniska Verkstad during the year acquired the stock of AB Falköpings Mekaniska Verkstad, with the intention of carrying out repairs of machines etc. there for the Concern's Swedish and foreign factories.

At all the Swedish factories, a great many new machines and other equipment were acquired and installed as in 1951 for modernization purposes.

SHAREHOLDINGS

In connection with an issue of new shares in the Krängede AB, a power supply Company, the Company increased its holding of shares in this company by Kr. 1,895,000.

As regards the Company's other shareholdings, only unimportant changes have taken place.

ACCOUNTS RECEIVABLE

Accounts receivable, to the amount of Kr. 2,000,531:02, have been included among capital assets instead of current assets, because these accounts are intended to remain in the permanent possession of the Company.

The accounts receivable shown among the current assets increased during the year, partly owing to the Company's having extended credits to certain subsidiary companies for procuring machines and for other purposes.

INVENTORIES

The inventories have been booked according to principles of valuation similar to those used last year. Finished and semi-finished products have been booked at very conservative values and can be sold at a profit on the basis of prices ruling in December 1952. All raw material and manufacturing supplies have also been booked on a similar basis. At the same time as the net value of the inventories has increased, as shown in the Balance Sheet, the reserve in kronor has increased considerably.

BONDS AND OTHER SECURITIES

This heading includes Krängede Aktiebolag's bonds and notes totalling Kr. 4,564,000:—, and a municipal loan of Kr. 5,000,000:—, redeemed in 1953.

CASH AT BANKS AND IN HAND

As shown in the Balance Sheet, this includes an amount of Kr. 8,911,467:72, deposited in a blocked account at Sveriges Riksbank. Of this amount, Kr. 4,455,733:86 was refunded at the beginning of 1953. All other amounts included under this heading are on current or deposit accounts with the Company's usual bankers, or represent cash in the Company's safes.

PENSIONS FUND AND PROVISIONS FOR EMPLOYEES

The amount of money belonging to the SKF Pensions Fund for Employees on deposit with the Company diminished during the year, because the board of this fund succeeded in placing part of the money at a higher rate of interest.

OWN CAPITAL

The following table shows how the Company's own capital paid in by the shareholders, or left in the business, has been invested. The proposed dividend and bonus for the year, shown amongst the liabilities in the Balance Sheet, has, in this table, been included in the own capital.

Amounts paid in and credited:

Share capital	Kr. 130,000,000:—
Reserve fund	» 15,860,000:—
	<u>Kr. 145,860,000:—</u>

Profits left in the business and credited:

Share capital	Kr. 26,000,000:—
Reserve fund	» 15,340,000:—
Plant renewal fund	» 50,000,000:—
Trade equalization accounts	» 9,850,000:—
Insurance funds	» 4,560,614:82
Surplus (including proposed dividend and bonus)	» 105,102,683:—
Total own capital	<u>Kr. 356,713,297:82</u>

This has been invested as follows:

Working capital:

Current assets	Kr. 341,182,081:49
Liabilities (excluding proposed dividend and bonus)	» 108,284,699:17
	<u>Kr. 232,897,382:32</u>
Plant and properties (net after depreciation)	» 45,482,658:09
Shares, participations etc.	» 75,774,396:85
Accounts receivable of a permanent nature	» 2,000,531:02
Deferred charges	» 558,329:54
	<u>Kr. 356,713,297:82</u>

The Company's share capital amounting to Kr. 156,000,000:— (nominal value per share Kr. 100:—) consists of:

A-shares	Nom. value Kr. 91,167,000:—
B-shares	» » » 62,218,800:—
» not free	» » » 2,614,200:—
	<u>Nom. value Kr. 156,000,000:—</u>

Of the Company's shares, the A-series and the whole B-series are quoted on the Stockholm Stock Exchange, the whole B-series on the London Stock Exchange, and the free B-shares on the Paris and Geneva Stock Exchanges.

DIVIDENDS

As shown in the Profit and Loss Account, the dividends received during 1952 amounted to approximately 8.9 million kronor (1951 — 12.5 million kronor). The usual dividends were received from the American, British, and French Companies, as well as the remainder of the dividend for the year 1950 from the German Company. Dividends from the other Companies have been received more or less as usual, except from Companies in certain Latin-American countries where the transfer of dividends is still restricted.

DEPRECIATION

Depreciation on property, machinery, etc. amounted to Kr. 17,630,593:45 (1951 — Kr. 4,833,863:52), and is specified on page 16.

In view of the taxation regulations now in force, depreciation on machinery, tools, furniture, etc. acquired during the year has been made at a rate of 20 %/o. Full depreciation has been made on assets of the same kind procured in previous years. Depreciation on buildings etc. has been made in accordance with the usual principles.

SALARIES AND WAGES

Average number of workers in Sweden during 1952	8,337
Average number of other employees during 1952	<u>2,274</u>
	<u>10,611</u>

Total amount of salaries, wages, and remunerations:

To members of the Board, managing directors, and other officials of the Company	Kr. 2,039,079:18
To workers	» 74,505,131:23
To other employees	» 28,136,068:71
	<u>Kr. 104,680,279:12</u>

CONSOLIDATED ACCOUNTS

All Companies belonging to the Concern have been included, and the accounts have been made up in accordance with the same principles as those applied heretofore.

The capital assets have been converted at rates of exchange not exceeding the average rates ruling during the years when they were acquired, and the current assets on the basis of the rates or quotations ruling at the turn of the year 1952/1953.

The surplus of the Concern amounts to Kr. 197,915,006, deduction having been made for the proposed dividend and bonus to the Parent Company's shareholders and for profits allocated to minority shareholders in the other Companies.

The Concern's sales to outside customers in all countries during the year reached the figure of Kr. 1,057,651,274, after deducting all inter-company sales.

The total net income of the Concern in 1952, before depreciation and taxes, amounted	
to	Kr. 263,752,570
Depreciation on buildings, machinery, etc.	Kr. 53,310,465
Reserved for taxes	» 140,320,955
Net profit for 1952	<u>Kr. 70,121,150</u>

The minority shareholders in affiliated companies will participate in the net profits with	Kr. 5,342,308
Transferred to Special Funds and Reserves	» 12,598,885
Adjustment of Reserve and Debt-regulation Funds	» — 804,704
Out of the balance	Kr. 17,136,489
the Board has proposed that a dividend of Kr. 12:— and a bonus of Kr. 3:— amounting to	» 23,400,000
be paid on the Share Capital of the Parent Company, leaving the remainder	Kr. 29,584,661
to be carried over to Surplus Account.	

APPROPRIATIONS FOR SOCIAL PURPOSES STEPS TAKEN WITH REGARD TO HOUSING, ETC.

Even in 1952, the Board of Directors decided to set aside an amount of Kr. 600,000:— for the workers and employees at the Swedish factories to be used for purposes beneficial to them. Of this amount, Kr. 480,000 was paid to the workers and Kr. 120,000 to other employees.

The Company has continued to facilitate the acquisition of suitable housing accommodation for the workers and other employees by granting subsidies, etc.

During 1952 and since the start of these activities, the number of subsidies and the amounts paid out are as follows:

	1952		Total since start of activities	
	Number of subsidies	Amount Kr.	Number of subsidies	Amount Kr.
Gothenburg	76	168,915	758	1,586,186
Katrineholm	19	40,200	93	200,182
Hofors	20	62,205	880	2,276,741
LMV	15	15,803	167	193,822
Total	130	287,123	1,898	4,256,931

It seems likely that the need of acquiring housing for workers and other employees will be reduced for some time to come.

On April 1st, 1953, the number of persons employed in all the Swedish factories and offices of the Company, as compared with January 1st, 1952, was as follows:

	Workers		Other employees		Total	
	1/4-53	1/1-52	1/4-53	1/1-52	1/4-53	1/1-52
Gothenburg	4,464	4,199	1,603	1,562	6,067	5,761
Hofors	3,010	2,536	508	436	3,518	2,972
Katrineholm	878	1,095	211	207	1,089	1,302
Total SKF	8,352	7,830	2,322	2,205	10,674	10,035
L M V and others	552	510	201	200	753	710
Total	8,904	8,340	2,523	2,405	11,427	10,745

Since the autumn of 1952, a falling trend of trade has been noticed in most of the countries where the Company is marketing its products. Signs of over-production and saturation have been noticeable in several countries, for certain industries. A general tendency towards reducing stocks has resulted in a falling buyer's demand. The seller's market prevailing for some years has given place to a buyer's market.

In several countries, including Sweden, this development has already led to restriction of production and reduced employment. A contributory factor has been the increased difficulty experienced with our exports on account of foreign-exchange restrictions, tightened import regulations, etc. in several countries.

As far as the Company is concerned, this general development has resulted in a reduction in orders received, which became noticeable in the second half of 1952 and has continued during the first quarter of 1953. As our underlivered orders, which are still of considerable magnitude, are reduced, our chances of offering better delivery terms will be increased, as well as our competitive power, which in many countries has been hampered very much by our comparatively long deliveries.

The widening of the fields of application for ball and roller bearings is still increasing. The Company's untiring efforts in the railway bearing field have been successful and have led to important orders.

Our production facilities in Sweden have been substantially improved in recent years, and our sales organization remains strong. Our manufacturing companies abroad have developed and will prove to become a valuable asset in satisfying future demands. The Company's preparedness to meet the renewed increase in orders which may be expected, is good.

The Company wishes to express its sincere thanks to all employees of all categories for their good work during the past year and for their loyalty and interest in the Company and its objectives.

Gothenburg, April 7th, 1953

Sven Wingquist

J. Wallenberg

E. Wetter

H. Hamberg

Managing Director

Sverre R:son Sohlman

Raoul Nordling

Peter K:son Mark

AKTIEBOLAGET SVENSKA KULLAGERFABRIKEN

PROFIT AND LOSS AND SURPLUS ACCOUNTS for 1952

1951	Kr.	Kr.
292,168,434: 50		NET SALES
98,511,031: 34		295,996,082: 24
4,480,933: 50		GROSS PROFIT
13,946,837: 67		73,702,618: 31
18,427,771: 17		Less: General administrative expenses
80,083,260: 17		4,178,283: 24
4,570,572: 49		Other commercial expenses
		16,499,946: 01
75,512,687: 68		20,678,229: 25
		Balance
12,311,763: 08		53,024,389: 06
248,707: 21		Sundry losses on dwelling houses etc., including transfers
866,455: 66		5,484,573: 02
7,947,711: 17		Total net income from manufacture and selling
135,261: 27		before providing for taxes
2,144,236: 82		47,539,816: 04
23,654,135: 21		OTHER INCOME:
99,166,822: 89		Dividends from Subsidiary Companies
46,500,000: —		8,561,212: 34
4,934: 34		Other dividends
1,495,111: 98		293,176: 36
48,000,046: 32		Interest from Subsidiary Companies
51,166,776: 57		957,166: 26
		Other interest
2,000,000: —		6,383,023: 34
362,479: 38		Profit on sales of capital assets
2,362,479: 38		493,220: 16
48,804,297: 19		Sundry income
18,720,000: —		1,793,992: 90
4,680,000: —		18,481,791: 36
21,051,856: 13		Total income for the year 1952
44,451,856: 13		66,021,607: 40
4,352,441: 06		Less: Reserved for taxes (including investment tax
65,424,730: 07		Kr. 3,000,000: —)
69,777,171: 13		28,000,000: —
4,833,863: 52		Interest to Subsidiary Companies
		4,801: 87
		Other interest expense
		1,598,149: 72
		29,602,951: 59
		Net income for the year 1952
		36,418,655: 81
		Less: Provision for health & recovery funds for the
		Swedish <i>SKF</i> workers in connection with
		Dr. Sven Wingquist's 75th birthday
		Sundry amounts not connected with the year's
		operations
		1,093,143: 94
		NET PROFITS FOR 1952
		35,325,511: 87
		Dividend on Coupon No. 43 as proposed by the
		Board of Directors
		18,720,000: —
		Bonus on Coupon No. 43 as proposed by the Board
		of Directors
		4,680,000: —
		Provision for plant renewal
		—
		23,400,000: —
		Balance carried over to Surplus Account
		11,925,511: 87
		Balance in Surplus Account at 31st December, 1951
		69,777,171: 13
		SURPLUS 31st December, 1952 as proposed by the Board of Directors
		81,702,683: —
		Depreciation for the year (page 16)
		17,630,593: 45

Sven Wingquist

J. Wallenberg

E. Wetter

H. Hamberg

Sverre R:son Sohlman

Raoul Nordling

Managing Director
Peter K:son Mark

Referring to our certificate of to-day's date we hereby certify that the above Profit and Loss Account agrees with the Company's books, which we have audited.

Gothenburg, April 27th, 1953.

Hakon Leffler

Edvard Stenberg

Alfred Wigelius

Erik Rödjer

AKTIEBOLAGET SVENSKA

BALANCE SHEET,

1951		Kr.
Kr.	CAPITAL ASSETS:	
224,107,044: 88	Plant and Properties (page 15)	251,986,187: 86
191,240,018: 67	Less depreciation (page 15)	206,503,529: 77
32,867,026: 21		45,482,658: 09
67,418,749: 14	Shares in Subsidiary Companies	66,993,187: 07
6,886,207: 77	Other shares	8,781,209: 78
74,304,956: 91		75,774,396: 85
—	Accounts receivable from Subsidiary Companies ...	950,000: —
—	Other accounts receivable	1,050,531: 02
—		2,000,531: 02
107,171,983: 12		123,257,585: 96
1,260,753: 03	DEFERRED CHARGES	558,329: 54
	CURRENT ASSETS:	
46,571,220: 07	Inventories	58,433,596: 23
19,428,351: 71	Accounts receivable from Subsidiary Companies ..	30,302,306: 62
	Other accounts receivable (Including Kr. 82,970: 84 as per the	
21,358,514: 38	Swedish Companies Act § 101 mom. 4)	29,622,598: 52
233,221: 87	Shares (Kr. 318,600: — par value treasury shares included at no value)	221,980: 99
4,644,000: —	Bonds and other securities	9,564,000: —
517,867: 31	Acceptances receivable	352,131: 77
296,369,486: 29	Cash at Banks and in Hand (Including Kr. 8,911,467: 72	
389,122,661: 63	on blocked account with Sveriges Riksbank)	212,685,467: 36
		341,182,081: 49
<u>497,555,397: 78</u>		<u>464,997,996: 99</u>

<i>J. Wallenberg</i>	Sven
<i>Sverre R:son Sohlman</i>	E.
	Raoul

KULLAGERFABRIKEN

31st DECEMBER, 1952

1951		Kr.
Kr.		Kr.
156,000,000: —	SHARE CAPITAL	156,000,000: —
31,200,000: —	RESERVE FUND	31,200,000: —
SPECIAL FUNDS AND RESERVES:		
4,052,537: 79	Insurance funds	4,560,614: 82
9,850,000: —	Trade equalisation accounts	9,850,000: —
50,000,000: —	Plant renewal fund	50,000,000: —
63,902,537: 79		64,410,614: 82
LONG TERM LIABILITIES:		
Pension provision for workers:		
26,307,435: 92	Balance 1st Januari, 1952	26,723,704: 59
416,268: 67	Increase during 1952	404,958: 21
26,723,704: 59	Balance 31st December, 1952	27,128,662: 80
8,363,600: —	Pension provision for salaried employees	2,851,720: 50
2,060,000: —	Special provision for employees	2,117,791: 89
5,007,626: 39	Other long term liabilities	8,217,385: 16
42,154,930: 98		40,315,560: 35
SHORT TERM LIABILITIES:		
2,381,080: 87	Unpaid dividends and repayment of capital	1,628,830: 27
20,341,814: 64	Accounts payable to Subsidiary Companies	22,021,634: 17
43,679,289: 64	Unpaid taxes	658,351: 08
44,718,572: 73	Other accounts payable	43,660,323: 30
18,720,000: —	Dividend on Coupon No. 43 as proposed by the Board of Directors	18,720,000: —
4,680,000: —	Bonus on Coupon No. 43 as proposed by the Board of Directors	4,680,000: —
134,520,757: 88		91,369,138: 82
69,777,171: 13	SURPLUS (page 16)	81,702,683: —
497,555,397: 78		464,997,996: 99
24,435,869: 15	Contingent liabilities	34,508,172: 19
37,132: 47	Acceptances discounted	109,273: 10
322,680: 10	Securities pledged (Including Kr. 6,000: — mortgages on dwelling-houses)	185,580: 86
859,810: 13	Pensions paid in 1952 not charged to Provision for pensions (Including Kr. 86,397: 23 as per commitments)	1,121,689: 29

Wingquist

Wetter

Nordling

H. Hamberg

Managing Director

Peter K:son Mark

Referring to our certificate of to-day's date we hereby certify that the above Balance Sheet agrees with the Company's books, which we have audited.

Gothenburg, April 27th, 1953.

Hakon Leffler

Edvard Stenberg

Alfred Wigelius

Erik Rödger

PLANT AND PROPERTIES

1952

Book value 1951 Kr.		Assessed value Kr.	Fire Insurance value Kr.	Book value Kr.
2,071,056: 98	Agricultural and forest real estate .	10,683,000: —	46,809,200: —	2,106,056: 98
2,071,055: 98	Less depreciation			2,106,055: 98
1: —				1: —
225,708: —	Mines	—	—	225,708: —
225,707: —	Less depreciation			225,707: —
1: —				1: —
83,600: —	Waterfalls	—	—	83,600: —
83,599: —	Less depreciation			83,599: —
1: —				1: —
85,441,822: 36	Factory property and other real estate	78,892,300: —	166,087,180: —	97,632,958: 30
65,495,787: 75	Less depreciation			71,037,884: —
19,946,034: 61				26,595,074: 30
124,075,279: 02	Machinery, motors, tools, furniture and fixtures, patterns, etc.	—	238,543,130: —	138,648,156: 94
114,000,794: 74	Less depreciation			124,663,548: 82
10,074,484: 28				13,984,608: 12
12,209,578: 52	Construction orders in process	—	8,910,000: —	13,289,707: 64
9,363,074: 20	Less depreciation			8,386,734: 97
2,846,504: 32				4,902,972: 67
224,107,044: 88	Total cost of Plant and Properties ..			251,986,187: 86
191,240,018: 67	Total depreciation			206,503,529: 77
32,867,026: 21				45,482,658: 09

Note: The assessed value of mines and waterfalls is included in the amounts shown for agricultural and forest real estate and for factory property and other real estate respectively.

The assessed value of factory property and other real estate includes a "special machinery value" amounting to Kr. 12,889,750: —.

Buildings booked at a gross value of Kr. 2,590,144 :— have not yet been assessed.

Land, mines, waterfalls, paving, tracks, foundation reinforcements, certain buildings and furnaces etc. are not insured.

DEPRECIATION

1952

1951		Kr.
Kr.	Depreciation for the year:	
2,501,851: 73	On factory property and other real estate.....	3,637,885: 68
2,332,011: 79	» machinery, motors, tools, furniture and fixtures, patterns, etc.	13,992,707: 77
4,833,863: 52	Total depreciation	17,630,593: 45
2,146,678: 52	Less depreciation on retired property	2,367,082: 35
2,687,185: —	Net amount	15,263,511: 10

SURPLUS

1952

1951		Kr.
Kr.	Balance at 31st December, 1951 before transfers as proposed by the Board of Directors	114,229,027: 26
87,264,730: 07	Distribution decided upon by the Shareholders' Meeting in 1952:	
18,720,000: —	Dividend on Coupon No. 42.....	18,720,000: —
3,120,000: —	Bonus on Coupon No. 42	4,680,000: —
—	Transfer to Plant renewal fond	21,051,856: 13
21,840,000: —		44,451,856: 13
65,424,730: 07		69,777,171 :13
48,804,297: 19	Net profit for 1952.....	35,325,511: 87
44,451,856: 13	Less amount to be disposed of by the Shareholders' Meeting in 1953 as proposed by the Board of Directors	23,400,000: —
4,352,441: 06		11,925,511: 87
69,777,171: 13	SURPLUS as per Balance Sheet (page 14)	81,702,683: —

**AKTIEBOLAGET SVENSKA KULLAGER-
CONSOLIDATED BALANCE**

<p>1951</p> <hr/> <p>Kr.</p> <p>583,431,952</p> <p>411,919,164</p> <hr/> <p>171,512,788</p> <p>7,394,979</p> <hr/> <p>178,907,767</p> <hr/> <p>5,870,927</p> <p>317,765,548</p> <p>127,997,471</p> <p>5,501,917</p> <p>9,539,098</p> <p>362,104,938</p> <hr/> <p>822,908,972</p> <hr/> <p><u>1,007,687,666</u></p>	<p>CAPITAL ASSETS:</p> <p>Plant and Properties Kr. 684,679,666</p> <p>Less depreciation 461,201,202</p> <hr/> <p style="text-align: right;">Kr. 223,478,464</p> <p>Shares in other Companies 9,493,846</p> <hr/> <p style="text-align: right;">Kr. 232,972,310</p> <p>DEFERRED CHARGES 5,169,632</p> <p>CURRENT ASSETS:</p> <p>Inventories Kr. 403,705,719</p> <p>Accounts receivable 136,031,180</p> <p>Bonds and other securities 10,050,426</p> <p>Acceptances receivable 7,454,805</p> <p>Cash at Banks and in Hand 283,720,550</p> <hr/> <p style="text-align: right;">840,962,680</p> <hr/> <p style="text-align: right;"><u>Kr. 1,079,104,622</u></p>
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Gothenburg,

H.
Managing

FABRIKEN AND SUBSIDIARY COMPANIES

SHEET, 31st DECEMBER, 1952

1951		
Kr.		
	CAPITAL LIABILITIES:	
156,000,000	Share Capital	Kr. 156,000,000
31,200,000	Reserve Fund	31,200,000
25,376,287	Subsidiary Companies' Reserve Funds and Debt-regulation Funds	24,571,583
56,063,868	Capital and proportion of Reserve Funds and Surplus of Subsidiary Companies not owned	61,406,176
<u>268,640,155</u>		<u>Kr. 273,177,759</u>
<u>160,998,943</u>	SPECIAL FUNDS AND RESERVES	173,597,828
<u>40,000,000</u>	RESERVE FOR EXCHANGE RISKS	40,000,000
	OTHER LIABILITIES:	
40,491,538	Provisions for pensions	Kr. 35,595,984
13,651,762	Bonded debt	13,798,174
39,085,892	Loans and acceptances	110,134,819
120,550,605	Accounts payable	139,026,468
131,176,425	Unpaid taxes	71,009,449
24,762,001	Unpaid dividends as proposed	24,849,135
<u>369,718,223</u>		<u>394,414,029</u>
	SURPLUS:	
152,059,423	Available at beginning of year	Kr. 168,330,345
	Net increase during year after allocation of profits (page 10)	29,584,661
16,270,922		<u>Kr. 197,915,006</u>
<u>168,330,345</u>		
	Out of this amount: Available surplus as per the Parent Company's balance sheet	Kr. 81,702,683
69,777,171	Remainder	116,212,323
98,553,174		<u>197,915,006</u>
<u>168,330,345</u>		<u>Kr. 1,079,104,622</u>
<u>1,007,687,666</u>		
23,190,785	CONTINGENT LIABILITIES	Kr. 26,556,412
9,385,377	ACCEPTANCES DISCOUNTED	Kr. 14,830,765

April 1953

Hamberg
Director

Note: A transfer of the surplus at the companies abroad is dependent on various regulations and is also subject to additional taxation.

AUDITORS' CERTIFICATE

for 1952

We, the undersigned, duly elected as auditors of AKTIEBOLAGET SVENSKA KULLAGERFABRIKEN, hereby submit the following report for 1952.

In connection with our audit we have examined the Company's accounts and records, the minutes of the Board of Directors and other evidence regarding the Company's financial position and administration.

The stocks of raw materials, shop supplies, semi-finished and finished products on hand as shown by inventories, certified by officials of the Company, have been valued on a conservative basis.

Shares and other securities held in Sweden by the Company have been checked and the insurance policies examined and found to be in order.

The provisions for pensions, shown in the Balance Sheet, have been examined and are in order.

The accounts of the Company have been examined during the year by J. E. Stenbergs Revisionsbyrå AB, authorized public accountants, who have certified that everything is in order.

We have received information regarding the Company's transactions with its subsidiary companies, and a consolidated balance sheet has been prepared, showing the Concern's position at the end of 1952. The consolidated balance sheet is made up on the basis of the balance sheets of the 65 companies belonging to the Concern, of which most of the larger foreign ones are audited by chartered accountants in their respective countries. We have examined the principles followed in the preparation of this consolidated balance sheet and, in our opinion, it should give a correct view of the financial position of the Concern.

The proposal made by the Board of Directors as regards the disposition of the Company's profits has been duly considered by us in connection with our audit of the consolidated balance sheet.

No provisions for the reserve fund or debt-regulation fund are required.

There is no cause for remarks with respect to the reports presented to us, the accounts of the Company, the specification of its assets, or otherwise regarding the administration of the Company. We accordingly recommend that the Shareholders' Meeting resolve:

To approve the balance sheet as per 31st December 1952, duly signed by us,

To dispose of the surplus, Kr. 105,102,683:—, in accordance with the proposal made by the Board of Directors, and

To grant the Board of Directors discharge for their administration during 1952.

Gothenburg, April 27th, 1953.

Hakon Leffler

Edvard Stenberg
Authorized public accountant

Alfred Wigelius

Erik Rödger