

Annual Report of
AKTIEBOLAGET
SVENSKA KULLAGERFABRIKEN

(THE SWEDISH BALL BEARING COMPANY)

for the Fiftieth Fiscal Year
ended
31st December, 1956





The first Gothenburg factory, built in 1907



Part of the present plant



The new office building in Gothenburg



The medical and dental clinics in Gothenburg

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OF
AKTIEBOLAGET
SVENSKA KULLAGERFABRIKEN
(THE SWEDISH BALL BEARING COMPANY)

FOR THE FIFTIETH FISCAL YEAR

ENDED

31st DECEMBER, 1956

GENERAL MEETING
TO BE HELD AT KRONHuset
GOTHENBURG

11.00 a.m. ON MONDAY, 27th MAY, 1957

AKTIEBOLAGET SVENSKA KULLAGERFABRIKEN

HEAD OFFICE — GOTHENBURG

1956

DIRECTORS

JACOB WALLENBERG (Chairman)	Stockholm
ERIK WETTER (Vice-Chairman)	Stockholm
SVERRE R:son SOHLMAN	Karlskoga
RAOUL NORDLING	Paris
PETER K:son MARK	Hovås
JOEL LARSSON	Gothenburg

DEPUTY

INGE STENBERG	Gothenburg
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EXECUTIVE MANAGEMENT

JOEL LARSSON, Managing Director
INGE STENBERG, Vice Managing Director

AUDITORS

HAKON LEFFLER
EDVARD STENBERG †
ERIK RÖDJER
NILS ZETTERHOLM

BANKERS

SKANDINAVISKA BANKEN	Gothenburg
STOCKHOLMS ENSKILDA BANK	Stockholm

REPORT OF THE BOARD OF DIRECTORS ON THE COMPANY'S ACTIVITIES IN 1956

With reference to the attached Profit and Loss Account and Balance Sheet, the Board of Directors and the Managing Director submit the following report for the year 1956. The amounts in the printed report are given to the nearest kronor.

At the beginning of 1956 the available surplus was	Kr. 9,226,911
After providing Kr. 24,264,316 for depreciation on plant and property etc., setting aside Kr. 53,110,000 for taxation and transferring Kr. 12,000,000 to the pension fund for salaried employees, trading in 1956 resulted in a net profit of	» 32,191,432
The total available surplus therefore amounts to	<u>Kr. 41,418,343</u>
The Board of Directors and the Managing Director recommend	
that a dividend of Kr. 11:— per share be paid against coupon No. 47	Kr. 25,740,000
that, on the occasion of the Company's 50th anniversary, a bonus of Kr. 2:— per share be paid against coupon No. 47	» 4,680,000
and that the balance be left in the available surplus account	» 10,998,343
	<u>Kr. 41,418,343</u>

In the attached Balance Sheet and Accounts, the disposal of the surplus has been shown as recommended by the Board of Directors and the Managing Director, subject to the shareholders' approval.

THE PARENT COMPANY

SALES AND ORDERS RECEIVED

The total sales of the Parent Company during 1956 amounted to 367.4 million kronor, an increase of 10.5 % over the previous year. Home sales were about 1 % lower than in 1955, but exports were increased by about 16 % (see diagram, page 15).

Of the Company's sales during 1956 of ball and roller bearings and other products manufactured in Gothenburg and Katrineholm, 70 % went to the export market, and 30 % to the home market. Of the total sales (including steel from Hofors), 72 % was exported and 28 % sold on the home market.

During 1956 orders received for ball and roller bearings, expressed as a daily number of units, nearly equalled production. Deliveries, again expressed as units, exceeded both production and orders received by a small margin. The number of units ordered was smaller than last year, but the value of orders on hand continued to increase, as the decrease referred to small bearings and orders for large bearings increased. Orders received at Hofors for steel were good throughout the year, and demand, especially from SKF Companies abroad, could not be fully met.

Orders on hand in millions of kronor at December 31 for the period 1947—1956 have been as follows:

	Gbg and Katrine- holm	Hofors	Total		Gbg and Katrine- holm	Hofors	Total
1947	174.2	15.8	190.0	1952	156.9	53.9	210.8
1948	170.2	16.8	187.0	1953	107.1	24.8	131.9
1949	134.8	18.8	153.6	1954	134.8	34.0	168.8
1950	144.6	34.8	179.4	1955	188.6	64.8	253.4
1951	217.8	71.4	289.2	1956	213.3	56.9	270.2

PRODUCTION

At the Gothenburg works, there was a gradual increase in productive labour during the year, and this resulted in an increase in production of about 13 % compared with the previous year.

At Hofors, the labour force was also increased, and as a result production rose by about 6 % compared with 1955. Steel deliveries from Hofors amounted to 115,367 tons (against 103,717 tons in 1955). The quantity of steel rolled was 136,598 tons (128,653 tons in 1955). This production heavily taxed Hofors' resources, and it was only by purchasing ingots and certain semifinished products that this increase was achieved.

The Katrineholm works was fully occupied during the year, and the production of castings etc. amounted to 12,913 tons.

PLANT AND PROPERTY

The gross value of Plant and Property was increased by 34.9 million kronor.

At Gothenburg, the new ball and roller factory was almost completed and will be gradually equipped with machinery etc. during 1957. Extensive factory reorganization was carried out and improved methods of production were introduced following the installation of new machinery.

At Hofors, another ring rolling mill and piercing press and an additional continuous annealing furnace came into production. Reconstruction and extension of the mechanical workshop and foundry was commenced. At Mossgruvornas Gruvaktiebolag, large-scale reconstruction of the ore raising plant and other improvements in connection with the shafts was put in hand, and the erection of a new concentration plant was commenced in order to increase ore production at these mines.

At Katrineholm, the new building for the manufacture of railway axle-boxes was nearly completed and will be fully equipped during the current year.

At all the Swedish factories, considerable additions and modernization of machinery and auxiliary equipment were made.

SHAREHOLDINGS

The increase in the Company's shareholdings refers, chiefly, to newly-acquired shares in the Skefko Ball Bearing Co. Ltd., Luton, and Krångede AB, Stockholm.

INVENTORIES

As will be seen in the Balance Sheet, the value of stock and work in progress has increased by about 11 million kronor compared with 1955. Stocks of Swedish-made bearings at certain SKF companies abroad were previously shown as stock, on which stock reserves on the general principle applied to all stocks had been provided. Following a change in accounting procedure, the value of these stocks has been transferred in the present accounts to Accounts Receivable. By this change, part of the inventories reserve has been set free, and a profit has resulted which is subject to tax. In view of this and the regula-

tions now in force concerning the valuation of stocks — which have reduced the extent to which stocks may be written off for the purposes of taxation — the relative value of the inventories reserve has been somewhat reduced. The increase in accounts receivable from subsidiary companies shown in the Balance Sheet is partly due to this change in accounting procedure.

BONDS AND OTHER SECURITIES

This heading is made up mainly by Swedish State bonds to the amount of Kr. 30,000,000, Krångede Aktiebolag's bonds and notes to the amount of Kr. 3,583,000, and a municipal loan of Kr. 10,000,000.

CASH AT BANKS AND IN HAND

As shown in the Balance Sheet, this heading includes an amount of Kr. 4,260,595, deposited in blocked accounts with Sveriges Riksbank. Of this amount, Kr. 122,525 was refunded in the beginning of 1957. 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.

TAXES

The amount of Kr. 6,366,665 set aside for taxes is sufficient to cover all unpaid state and municipal taxes in respect of the Company's operations up to and including the year 1956, and also investment tax.

PENSION FUNDS AND PROVISIONS FOR EMPLOYEES

The SKF pension fund for salaried employees has been increased by Kr. 12,000,000.

THE COMPANY'S OWN CAPITAL

The following table shows how the Company's own capital, contributed by shareholders or retained in the business, has been invested. The proposed dividend for the year, shown among the liabilities in the Balance Sheet, has in this table been included in the Company's own capital.

Share capital	Kr. 234,000,000
Reserve fund	» 46,800,000
Plant renewal fund	» 50,000,000
Insurance funds	» 6,892,828
Surplus (including proposed dividend)	» 41,418,343
Total of the Company's own capital	Kr. 379,111,171
Adding the amount set aside for trade equalization funds	» 19,850,000
the total will be	<u>Kr. 398,961,171</u>

This has been invested as follows:

Working capital:

Current assets	Kr. 332,130,039
Liabilities (excluding proposed dividend)	» 147,209,700
	<u>Kr. 184,920,339</u>
Plant and property (after depreciation)	» 109,445,565
Shares and other interests, etc.	» 101,800,598
Accounts receivable of a permanent nature	» 2,351,502
Deferred charges	» 443,167
	<u>Kr. 398,961,171</u>

The Company's share capital, amounting to Kr. 234,000,000 (nominal value per share Kr. 100), consists of:

A-shares	Nom. value	Kr. 136,750,500
B-shares	»	» 93,328,200
» , not free	»	» 3,921,300
	<u>Nom. value</u>	<u>Kr. 234,000,000</u>

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

GROSS PROFIT

In spite of an increase in turnover of 10.5 % over 1955, the gross profit has not increased. This is mainly due to considerable increases in costs arising from higher wages and higher prices for raw materials, which the Company has not been able to recover by increased selling prices, owing to competition.

DIVIDENDS

As shown in the Profit and Loss Account, dividends received during 1956 amounted to approximately 19.2 million kronor (1955—20.6 million kronor). Dividends were received as usual from the British, German, French and American companies, the French and British companies paying a somewhat larger dividend than the previous year. The Dutch manufacturing company for the first time paid a small dividend. The sales companies have paid dividends to the same extent as in previous years.

DEPRECIATION ON CAPITAL ASSETS

Depreciation on property, machinery, etc. amounted to Kr. 24,264,316 (1955 Kr. 20,328,221) and is shown on page 25. In view of current tax regulations, depreciation on machinery, tools, furniture, etc. acquired during 1952—1956 has been provided at 20 % of cost. Full depreciation has previously been provided on assets of this nature purchased before 1952. Depreciation on buildings etc. has been provided in accordance with the usual principles.

Following the principles long applied by the Company, the year's depreciation would have amounted to approx. 27.3 million kronor.

Shares, interests, etc. have been written down by Kr. 271,461, as shown in the Profit and Loss Account.

SALARIES AND WAGES

Average number of workers in Sweden during 1956	8,643
Average number of other employees during 1956	2,328
	<u>10,971</u>

Total amount of salaries, wages etc.:

To members of the Board, managing directors and other officials of the Company	Kr. 1,579,307
To workers	» 100,129,937
To other employees	» 35,375,585
	<u>Kr. 137,084,829</u>

AMOUNTS PAID OR PAYABLE TO WORKERS AND OTHER EMPLOYEES, THE GOVERNMENT, MUNICIPALITIES AND SHAREHOLDERS

In 1955			In 1956	
(thousands of kronor)			(thousands of kronor)	
120,873	61 0/0	To workers and other employees as wages, salaries, etc.	137,085	59 0/0
5,000	2 0/0	To the pension fund for salaried employees	12,000	5 0/0
48,100	24 0/0	To the Government and municipalities as taxes	53,110	23 0/0
25,740	13 0/0	To shareholders as dividends	30,420	13 0/0
<u>199,713</u>	<u>100 0/0</u>		<u>232,615</u>	<u>100 0/0</u>

LIDKÖPINGS MEKANISKA VERKSTADS AB

Orders received continued to be good during 1956, and results were satisfactory. The company paid a dividend of 15 0/0, which is included in the Parent Company's accounts for 1956. Orders on hand amounted to about 16 million kronor at the end of 1956.

MANUFACTURING COMPANIES ABROAD

USA

SKF Industries Inc. during 1956 again achieved a considerable increase in turnover, and results were still further improved. Orders received were good throughout the year, particularly for large bearings, and orders on hand increased.

The Tyson Bearing Corporation — a subsidiary of SKF Industries Inc. — also had a comparatively satisfactory turnover, and operations resulted in a profit.

ENGLAND

During 1956 the Skefko Ball Bearing Co. Ltd. again achieved an increase in turnover, and results were highly satisfactory, in spite of a certain decline in orders received due to the recession in the British automobile industry. The company's extension programme was carried on and is now practically completed.

FRANCE

SKF Compagnie d'Applications Mécaniques S.A. (CAM) during 1956 were working to full capacity, the demand for the company's products being good. The new turning department at the Ivry-Port works was completed. The results of the company's operations were good, as also were those of Etablissements Malicet & Blin (MAB).

GERMANY

The turnover of SKF Kugellagerfabriken G.m.b.H. during 1956 continued to increase substantially, and results were good. During the second half of 1956, orders received fell below production, which was accordingly slightly reduced. Orders on hand, however, are still good. The turnover of J. N. Eberle & Cie G.m.b.H. was somewhat higher than last year, and results improved. An extensive modernization programme was carried on and is still in progress.

HOLLAND

N. V. Nederlandsche Maatschappij van Kogellagers SKF during 1956 increased production still further and achieved considerably improved results. The production of the works, which is exclusively concentrated on taper roller bearings, was hampered by a limited supply of rollers, and it has therefore been decided to commence manufacture of rollers at the Dutch company.

CANADA

Production at the Scarboro works of the Canadian SKF Co. Ltd. and the sale of Canadian-made bearings did not quite reach the estimated figures, mainly due to reduced demands by the automobile and agricultural machinery industries. The activities of the company nevertheless produced comparatively satisfactory results.

SALES COMPANIES

The activities of the sales companies were carried on as usual. No new sales companies were formed during the year.

CONSOLIDATED ACCOUNTS

The consolidated accounts have been made up in accordance with the same principles as previously, and all companies belonging to the Concern have been included, except one small sales company from which reliable information has not been received, owing to prevailing conditions.

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 1956/1957.

The surplus of the Concern amounts to Kr. 251,434,672, deduction having been made for the proposed dividend 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. 1,548,189,114, all inter-company sales having been deducted (see diagram, page 15).

The total net income of the Concern in 1956, before depreciation and taxes,

amounted to	Kr. 429,517,275
Depreciation on buildings, machinery, etc.	Kr. 86,974,754
Reserved for taxes	» 219,211,086
	» 306,185,840
Net profit for 1956	Kr. 123,331,435
The minority shareholders in associated companies will participate in the net profits with	Kr. 7,844,227
Transferred to Reserve and Debt-regulation Funds	» 452,205
and to Special Funds and Reserves	» 38,008,005
	» 46,304,437
Out of the balance	Kr. 77,026,998
the Board has proposed that a dividend of	» 30,420,000
be paid on the Share Capital of the Parent Company, leaving the remainder	Kr. 46,606,998
to be carried over to the Surplus Account.	

During the latter part of 1956, orders received, particularly for small bearings, have shown a slightly falling trend both at the Parent Company and at the German and British companies. There are reasons for attributing this decrease to credit restrictions, rises in rates of interest, and other measures adopted in many countries in order to check inflation. In France and in the United States, on the other hand, orders received have continued to be very good. Orders on hand being generally satisfactory, no appreciable reduction in the rate of production has been required anywhere. Steel supplies have caused difficulties at several of the European SKF factories, partly because the capacity of the Hofors works has been inadequate to meet the increased demands. For this reason, an agreement was made in January 1957 with Hellefors Bruks Aktiefbolag for the acquisition by SKF, as from April 1st, 1957, of Hellefors' steelworks at Hällefors, Bångbro and Kristinehamn. The Company has thus ensured an immediate increase in ingot-producing capacity, which is of primary importance in making certain of an improved supply of raw material to the Concern's factories.

As shown in the Balance Sheet, the Company's liquid resources have been reduced during the year. The causes are various. Large amounts have been invested in plant and property, and the considerable rise in the rate of production has required very large investments in stocks. The shortage of money prevailing in Sweden and in many other countries has necessitated the investment of increased amounts in Accounts Receivable, and finally, the sharp rise of the burden of taxation in relation to the results achieved has also accentuated the position. In view of the further investments — the acquisition of the Hellefors steelworks, among others — to which the Company has committed itself, it is to be expected that the Company's liquid resources will diminish still more during the current year.

Some improvement in orders received has been evident at the manufacturing companies abroad since the beginning of 1957. At the Parent Company, however, incoming orders seem to have established themselves at the same level as last year. Since the sales value of orders on hand at the Parent Company as well as at the companies abroad is practically unchanged, the chances of maintaining the same turnover and rate of production during 1957 as in 1956 seem to be good.

The Company wishes to express its sincere thanks to all its employees for their loyal and successful work during the past year.

Gothenburg, March 30th, 1957.

J. Wallenberg

E. Wetter

Sverre R:son Sohlman

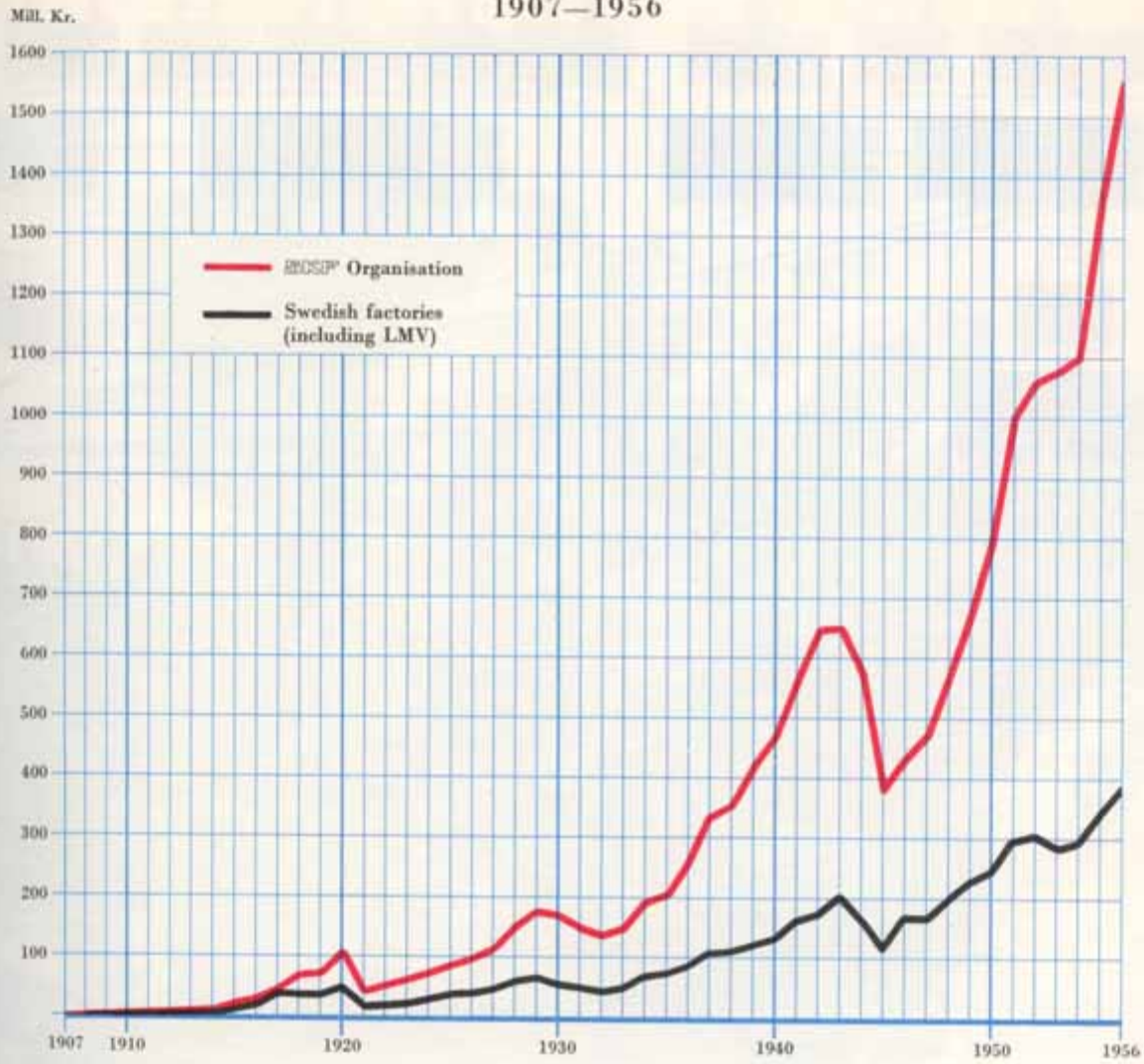
Raoul Nordling

Peter K:son Mark

Joel Larsson

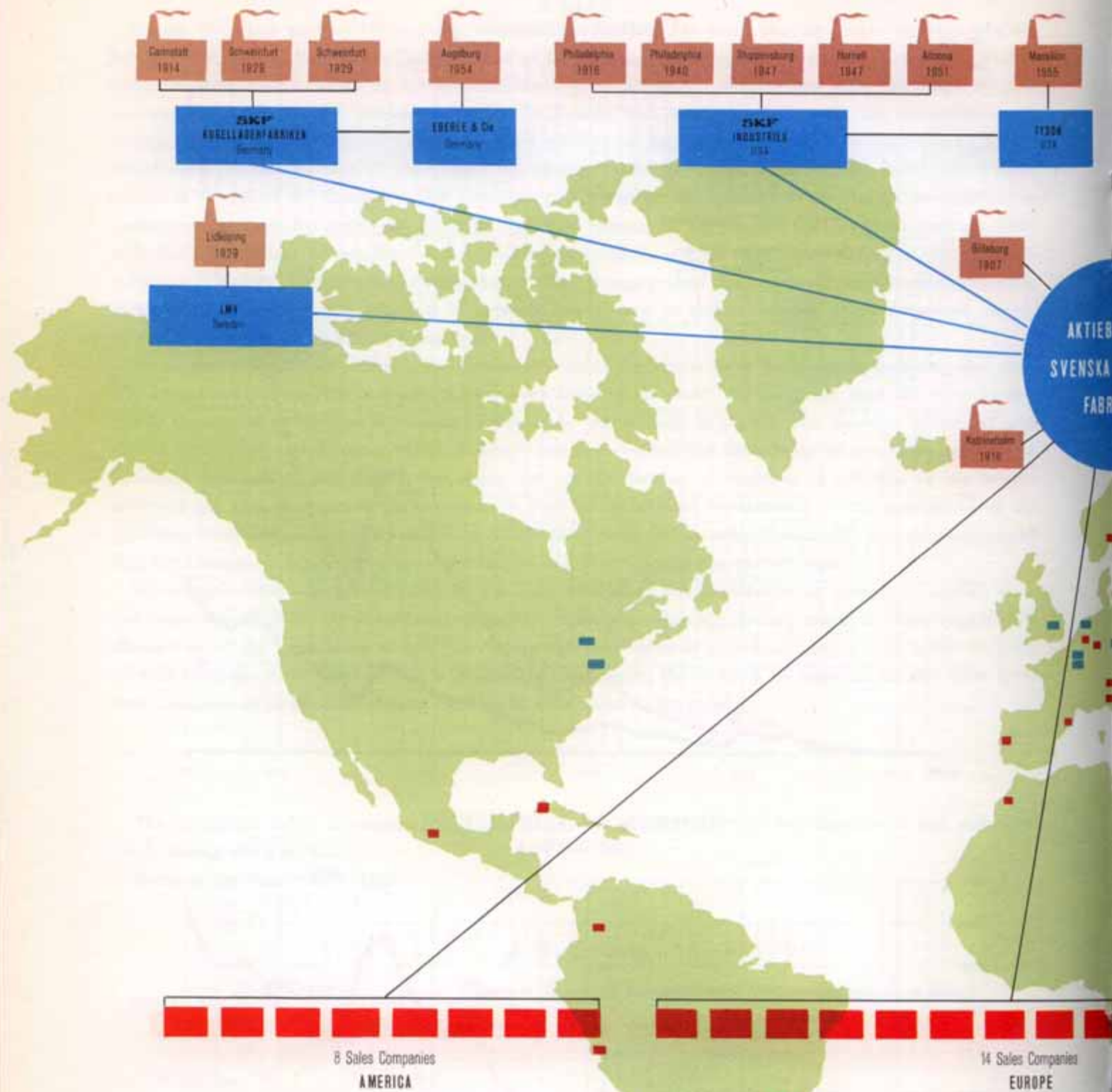
Managing Director

SALES 1907—1956



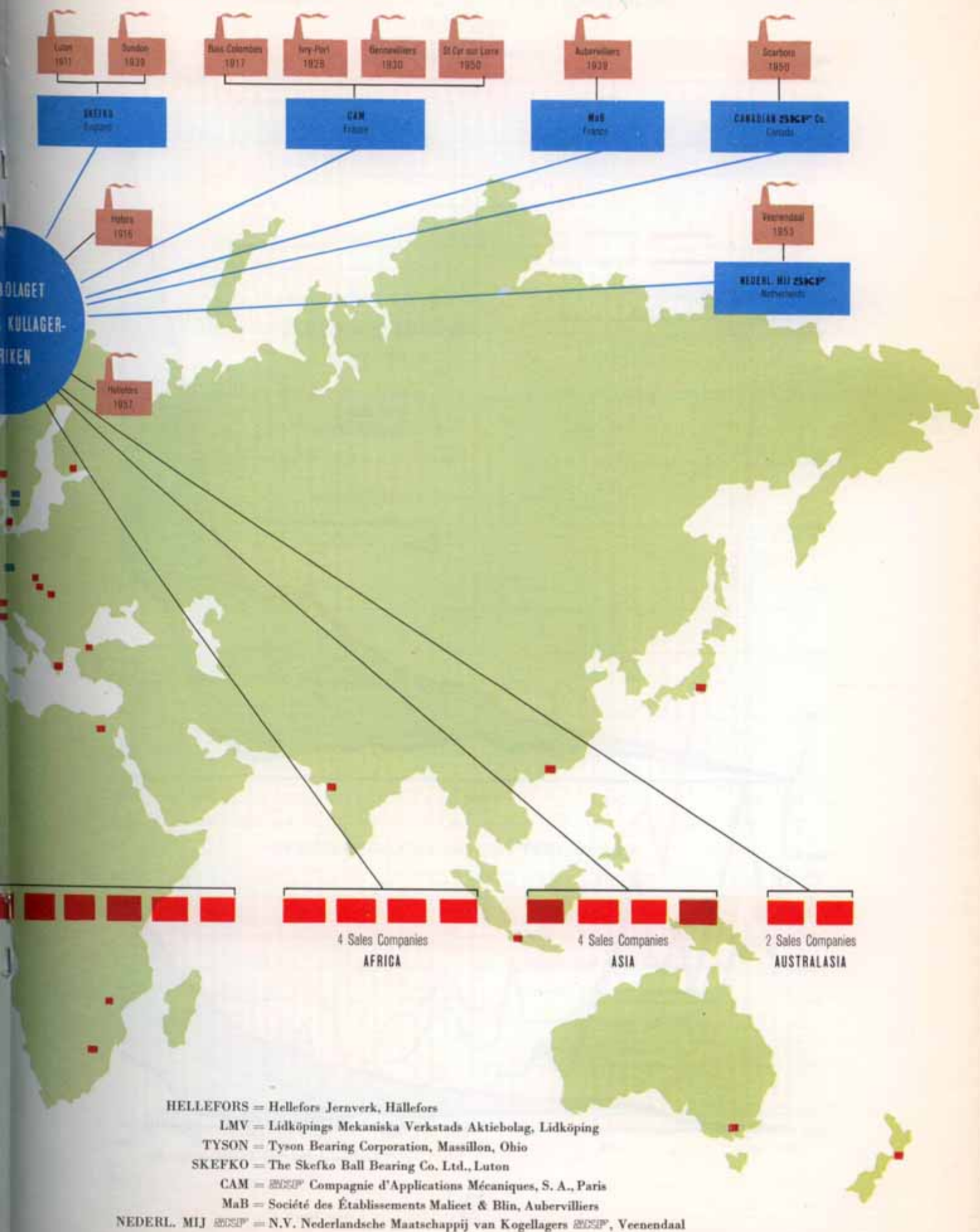
NUMBER OF EMPLOYEES 1907—1956





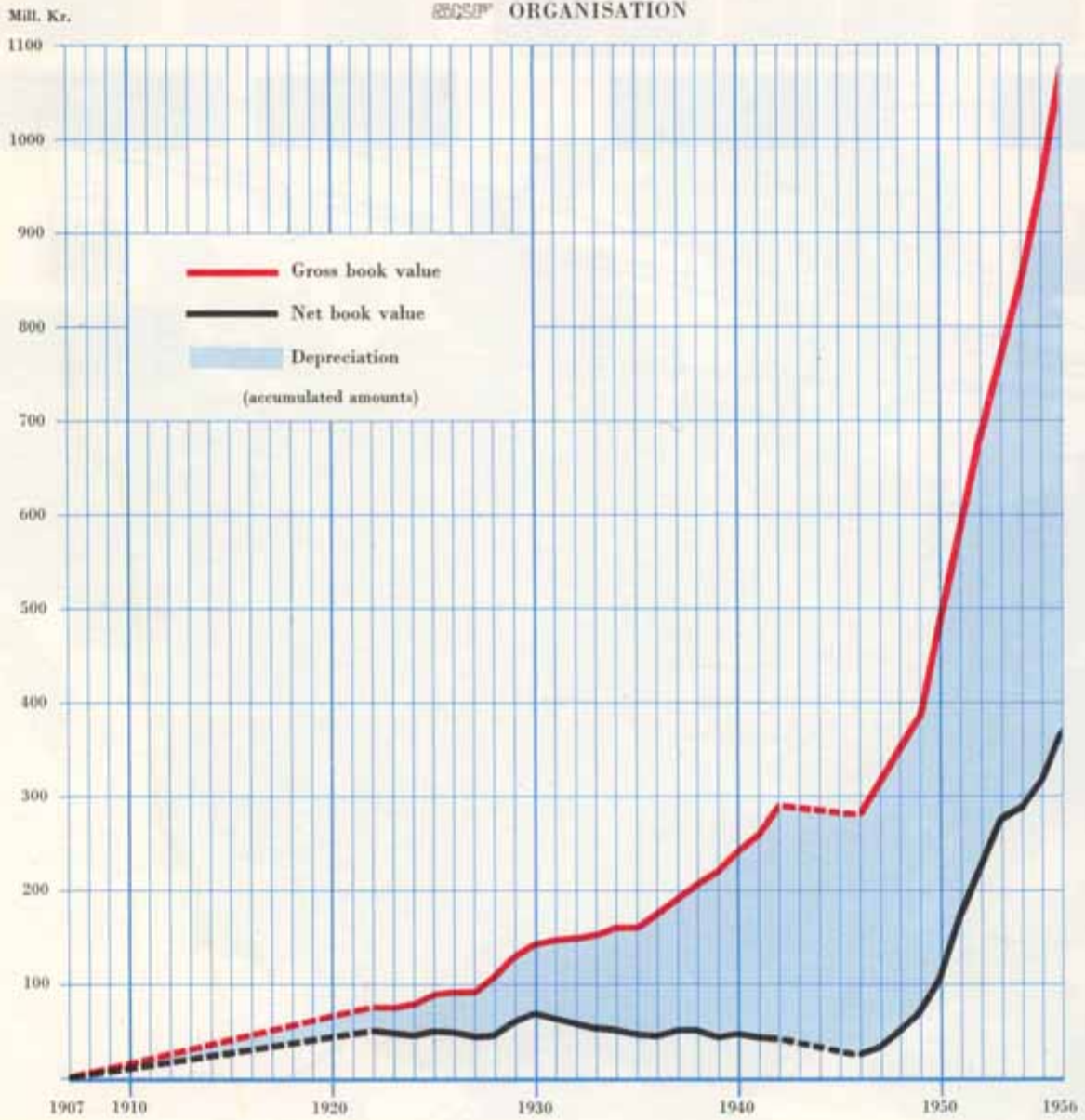
The SKF Organisation is made up of 11 manufacturing companies with 24 factories, and 32 sales companies. Through these companies and a number of principal agents — together administering some 300 sales offices — SKF is represented in more than 60 countries.

GLOBALISATION 1957

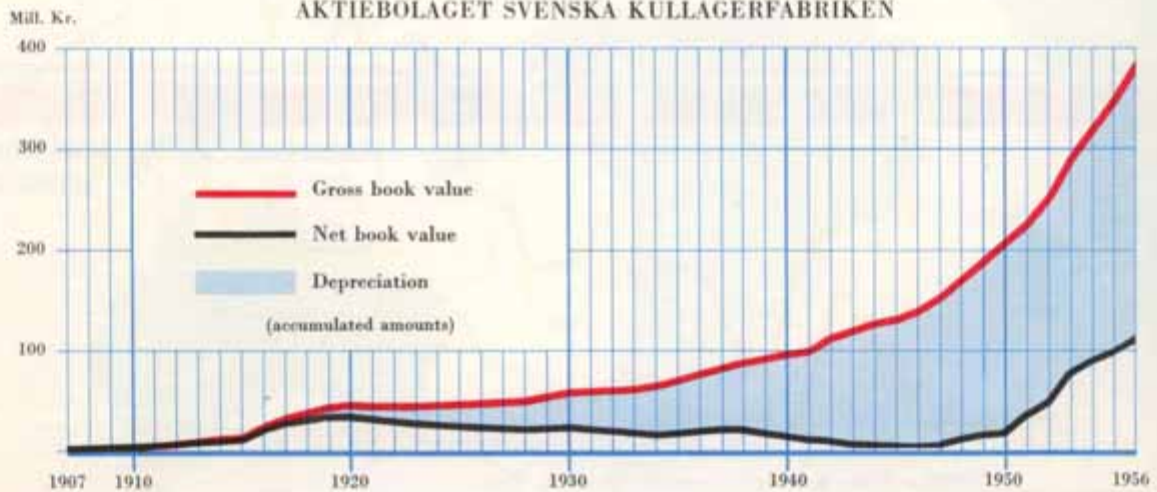


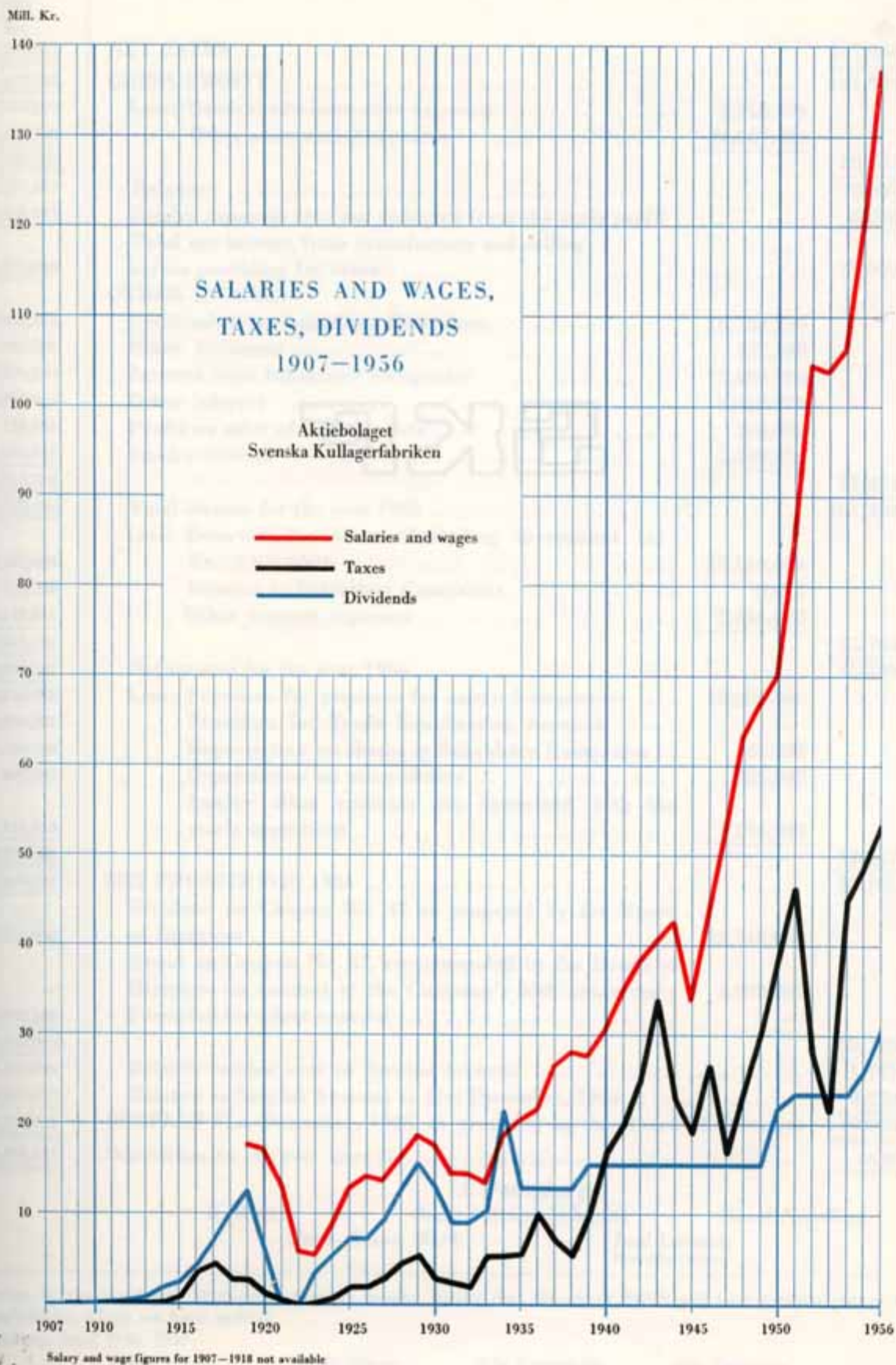
INVESTMENTS IN PLANTS AND PROPERTIES 1907-1956

SOSF ORGANISATION



AKTIEBOLAGET SVENSKA KULLAGERFABRIKEN





AKTIEBOLAGET SVENSKA KULLAGERFABRIKEN

PROFIT AND LOSS AND SURPLUS ACCOUNTS

for 1956

1955		Kr.
332,292,611	NET SALES	367,440,517
101,477,738	GROSS PROFIT	101,591,334
3,953,097	Less: General administrative expenses	3,955,906
19,505,630	Other commercial expenses	21,647,429
23,458,727		25,603,335
78,019,011	Balance	75,987,999
6,248,927	Sundry expenses etc., not deducted from the gross profit	6,058,743
	Total net income from manufacture and selling	
71,770,084	before providing for taxes	69,929,256
	OTHER INCOME:	
20,050,878	Dividends from Subsidiary Companies	18,733,299
580,339	Other dividends	437,389
1,995,394	Interest from Subsidiary Companies	2,684,594
7,031,461	Other interest	6,802,370
138,959	Profit on sales of capital assets	286,645
1,951,351	Sundry income	2,530,210
31,748,382		31,474,507
103,518,466	Total income for the year 1956	101,403,763
	Less: Reserved for taxes (Including investment tax	
48,100,000	Kr. 2,400,000)	53,110,000
176,706	Interest to Subsidiary Companies	9,611
2,147,015	Other interest expenses	2,645,030
50,423,721		55,764,641
53,094,745	Net income for the year 1956	45,639,122
5,000,000	Less: Provision for pensions for salaried employees	12,000,000
10,000,000	Provision for Trade Equalization Accounts	—
1,484,444	Depreciation on shares in Subsidiary Companies ..	46,099
409,697	Depreciation on other shares	225,362
	Sundry other amounts not connected with the	
331,510	year's operations	1,176,229
17,225,651		13,447,690
35,869,094	NET PROFITS FOR 1956	32,191,432
	Dividend on Coupon No. 47 as proposed by the Board	
25,740,000	of Directors	25,740,000
—	Bonus on Coupon No. 47, recommended by the Board of	
5,000,000	Directors on account of the Company's 50th anniversary	4,680,000
30,740,000	Provision for plant renewal	—
5,129,094		30,420,000
4,097,817	Balance carried over to Surplus Account	1,771,432
9,226,911	Balance in Surplus Account at 31st December, 1955	9,226,911
20,328,221	SURPLUS 31st December, 1956, as proposed by the Board of Directors	10,998,343
	Depreciation for the year (page 25)	24,264,316

J. Wallenberg
E. Wetter *Sverre R:son Sohlman* *Raoul Nordling*
Peter K:son Mark *Joel Larsson*
Managing Director

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 15th, 1957.

Hakon Leffler *Erik Rödjer* *Nils Zetterholm* *Stig Danielson*

AKTIEBOLAGET SVENSKA

BALANCE SHEET,

1955		Kr.
Kr.	CAPITAL ASSETS:	
347,100,781	Plant and Property (page 24)	382,031,669
251,228,265	Less depreciation (page 24)	272,586,104
<u>95,872,516</u>		109,445,565
87,980,845	Shares in Subsidiary Companies	89,633,374
8,377,224	Other shares	12,167,224
<u>96,358,069</u>		101,800,598
950,000	Accounts receivable from Subsidiary Companies	1,057,121
1,293,545	Other accounts receivable	1,294,381
<u>2,243,545</u>		2,351,502
194,474,130		<u>213,597,665</u>
<u>425,824</u>	DEFERRED CHARGES	443,167
	CURRENT ASSETS:	
59,764,399	Inventories	70,557,870
43,319,661	Accounts receivable from Subsidiary Companies	63,683,365
28,865,993	Other accounts receivable	29,016,060
198,112	Shares (Kr. 477,800 par value treasury shares included at no value)	221,113
35,565,801	Bonds and other securities	43,651,353
353,013	Acceptances receivable	151,956
	Cash at banks and in hand (Including Kr. 4,260,595 on blocked account with Sveriges Riksbank)	124,848,322
<u>194,051,394</u>		332,130,039
<u>362,118,373</u>		<u>546,170,871</u>
<u>557,018,327</u>		

KULLAGERFABRIKEN

31st DECEMBER, 1956

1955		Kr.
234,000,000	SHARE CAPITAL	234,000,000
46,800,000	RESERVE FUND	46,800,000
SPECIAL FUNDS AND RESERVES:		
6,131,640	Insurance funds	6,892,828
19,850,000	Trade equalization accounts	19,850,000
50,000,000	Plant renewal fund	50,000,000
75,981,640		76,742,828
LONG TERM LIABILITIES:		
Pension provision for workers:		
27,750,140	Balance 1st January, 1956	27,986,458
236,318	Increase during 1956	191,585
27,986,458	Balance 31st December, 1956	28,178,043
22,840,904	Due to pensions fund for salaried employees	35,887,278
2,213,164	Due to special fund for employees	2,260,696
3,727,883	Due to Subsidiary Companies	3,727,023
7,827,045	Other long term liabilities	7,516,492
64,595,454		77,569,532
SHORT TERM LIABILITIES:		
1,246,562	Unpaid dividends and repayment of capital	1,153,037
17,816,095	Accounts payable to Subsidiary Companies	5,167,892
35,258,892	Unpaid taxes	6,366,665
46,352,773	Other accounts payable	56,952,574
25,740,000	Dividend on Coupon No. 47 as proposed by the Board of Directors	25,740,000
—	Bonus on Coupon No. 47, recommended by the Board of Directors on account of the Company's 50th anniversary	4,680,000
126,414,322		100,060,168
9,226,911	SURPLUS (page 25)	10,998,343
557,018,327		546,170,871
38,458,596	Contingent liabilities	42,203,806
57,936	Acceptances discounted	107,235
220,198	Securities pledged	166,862
1,437,590	Pensions paid in 1956 not charged to Provision for pensions (Including Kr. 558,408 as per commitments)	1,522,694

J. Wallenberg

E. Wetter

Sverre R:son Sohlman

Raoul Nordling

Peter K:son Mark

Joel Larsson
Managing Director

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

Gothenburg, April 15th, 1957.

Hakon Leffler

Erik Rödjer

Nils Zetterholm

Stig Danielson

PLANT AND PROPERTY

1956

Book value 1955		Assessed value Kr.	Fire insurance value Kr.	Book value Kr.
Kr. 2,130,414	Agricultural and forest real estate	10,481,300	43,077,300	2,250,343
2,130,413	Less depreciation			2,250,342
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
126,533,408	Factory property and other real estate	92,708,500	225,470,000	144,397,963
80,307,502	Less depreciation			84,505,828
46,225,906				59,892,135
195,210,596	Machinery, motors, tools, furniture and fixtures, patterns, etc.	—	541,732,500	218,042,112
156,133,932	Less depreciation			178,876,143
39,076,664				39,165,969
22,917,055	Construction orders in process	—	11,647,600	17,031,943
12,347,112	Less depreciation			6,644,485
10,569,943				10,387,458
347,100,781	Total cost of Plant and Property			382,031,669
251,228,265	Total depreciation			272,586,104
95,872,516				109,445,565

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. 13,336,850.
 Buildings booked at a gross value of Kr. 29,292,481 have not yet been assessed.
 Land, mines, waterfalls, paving, tracks, foundation reinforcements, certain furnaces etc. are not insured.

DEPRECIATION

1956

<u>1955</u>		<u>Kr.</u>
Kr.		Kr.
	Depreciation for the year:	
3,881,345	On factory property and other real estate	4,484,105
15,882,017	» machinery, motors, tools, furniture and fixtures, patterns, etc. ..	19,780,211
564,859	» construction orders in process	—
<u>20,328,221</u>	Total depreciation	<u>24,264,316</u>
+232,006	Net amount of other debits and credits	2,906,477
<u>20,560,227</u>	Net amount	<u>21,357,839</u>

SURPLUS

1956

<u>1955</u>		<u>Kr.</u>
Kr.		Kr.
116,097,817	Balance at 31st December, 1955, before transfers as proposed by the Board of Directors	39,966,911
	Distribution decided upon by the Shareholders' Meeting in 1956:	
18,720,000	Dividend on Coupon No. 46	25,740,000
4,680,000	Bonus on Coupon No. 45	—
78,000,000	Transfer to Share Capital	—
10,600,000	Transfer to Reserve Fund	—
—	Transfer to Plant renewal fund	5,000,000
<u>112,000,000</u>		<u>30,740,000</u>
4,097,817		9,226,911
35,869,094	Net profit for 1956	32,191,432
5,000,000	Transfer to Plant renewal fund	—
<u>30,869,094</u>		<u>32,191,432</u>
25,740,000	Less amount to be disposed of by the Shareholders' Meeting in 1957 as proposed by the Board of Directors ..	30,420,000
5,129,094		1,771,432
<u>9,226,911</u>	SURPLUS as per Balance Sheet (page 23)	<u>10,998,343</u>

AKTIEBOLAGET SVENSKA KULLAGER-

CONSOLIDATED BALANCE

1955		
Kr.		
	CAPITAL ASSETS:	
947,646,299	Plant and Property	Kr. 1,080,773,413
633,344,037	Less depreciation	712,924,942
314,302,262		Kr. 367,848,471
9,394,971	Shares in other Companies	13,157,800
<u>323,697,233</u>		<u>Kr. 381,006,271</u>
	DEFERRED CHARGES	5,381,208
<u>5,086,995</u>		
	CURRENT ASSETS:	
432,658,189	Inventories	Kr. 576,768,874
197,926,636	Accounts receivable	201,788,278
35,874,182	Shares, bonds and other securities	44,403,200
28,157,139	Acceptances receivable	24,698,817
326,225,582	Cash at banks and in hand	220,884,118
<u>1,020,841,728</u>		<u>1,068,543,287</u>
<u>1,349,625,956</u>		<u>1,454,930,766</u>

FABRIKEN AND SUBSIDIARY COMPANIES

SHEET, 31st DECEMBER, 1956

<p>1955</p> <p>Kr.</p> <p>234,000,000</p> <p>46,800,000</p> <p>30,087,497</p> <p>65,380,638</p> <p>376,268,135</p> <hr/> <p>242,111,910</p> <hr/> <p>40,000,000</p> <p>59,196,683</p> <p>23,179,591</p> <p>74,112,446</p> <p>168,503,345</p> <p>133,478,647</p> <p>27,947,525</p> <p>486,418,237</p> <p>184,859,182</p> <hr/> <p>19,968,492</p> <p>204,827,674</p> <hr/> <div style="border: 1px solid black; padding: 2px; width: fit-content;"> <p>9,226,911</p> <p>195,600,763</p> <p>204,827,674</p> </div> <hr/> <p>1,349,625,956</p> <hr/> <p>28,751,744</p> <p>3,890,593</p>	<p>CAPITAL LIABILITIES:</p> <p>Share Capital Kr. 234,000,000</p> <p>Reserve Fund 46,800,000</p> <p>Subsidiary Companies' Reserve Funds and Debt-regulation Funds 30,539,702</p> <p>Capital and proportion of Reserve Funds and Surplus of Subsidiary Companies not owned 69,178,637</p> <p style="text-align: right;">Kr. 380,518,339</p> <p>SPECIAL FUNDS AND RESERVES 280,119,915</p> <p>RESERVE FOR EXCHANGE RISKS 40,000,000</p> <p>OTHER LIABILITIES:</p> <p>Provisions for pensions Kr. 88,516,987</p> <p>Bonded debt 22,257,614</p> <p>Loans and acceptances 78,765,466</p> <p>Accounts payable 189,722,800</p> <p>Unpaid taxes 91,005,174</p> <p>Unpaid dividends as proposed 32,589,799</p> <p style="text-align: right;">502,857,840</p> <p>SURPLUS:</p> <p>Available at beginning of year Kr. 204,827,674</p> <p>Net increase during year after allocation of profits (page 13) 46,606,998</p> <p style="text-align: right;">Kr. 251,434,672</p> <p>Out of this amount: Available surplus as per the Parent Company's Balance Sheet Kr. 10,998,343</p> <p>Remainder 240,436,329</p> <p style="text-align: right;">251,434,672</p> <p style="text-align: right;"><u>Kr. 1,454,930,766</u></p> <p>CONTINGENT LIABILITIES Kr. 28,783,822</p> <p>ACCEPTANCES DISCOUNTED Kr. 8,658,127</p>
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Gothenburg, March, 1957

Joel Larsson
Managing 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 1956

We, the undersigned, duly elected as auditors of AKTIEBOLAGET SVENSKA KULLAGERFABRIKEN, hereby submit the following report for 1956.

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 1956. The consolidated balance sheet is made up on the basis of the balance sheets of the 73 companies belonging to the Concern, most of which 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 1956 duly signed by us,

To dispose of the surplus, Kr. 41,418,343:15, in accordance with the proposal made by the Board of Directors, and

To grant the Board of Directors discharge for their administration during 1956.

Gothenburg, April 15th, 1957.

Hakon Leffler

Erik Rödjer

Nils Zetterholm

Stig Danielson

Authorized public accountant

Authorized public accountant



The EDCO factory in Scarborough