

# Wright Ahead

Head Wrightson news

July 1975

## HW MACHINE CO MOVED ON TIME

The way things looked a week before the move, it seemed doubtful whether HWM would start to occupy their new premises, as hoped, on Monday 16th June but on 15th June, it all happened and the company moved lock, stock and barrel into their new offices in Durham Street. Many people felt sad at leaving the old premises and works behind in Commercial Street which had been occupied for almost 30 years but doubtless the smart, newly modified offices will go a long way towards

preventing too much nostalgia. It has been an exceptionally busy time for Commercial Manager, Harry Bunting, who has spent a lot of time preparing for this move, and for those that worked on the actual modifications of the building. Has it been worth it? We'll see how HWM people feel about their new surroundings in a future issue of Wright Ahead. HWM's new address is Durham Street, Middlesbrough, Cleveland, TS2 1PN. Tel. 0642 41155.



A week after . . . . .

## HWPL WINS BIG NCB ORDER

The coal Preparation team at HW Process Engineering's Thornaby Division have won "the big one"; a contract worth some £5 m for an NCB coal preparation plant at Dinnington Colliery.

Both David Smith, Sales and Charles Corbidge, Group Manager for Mining, Mineral and Coal Preparation activities, believe that this contract puts PEL firmly in the No. 1 position for this and similar types of contract.

Charles pointed out PEL's experience going back over many years and said that calculations to date showed they had built plants which handled in total over 60,000,000 tons of coal each year. And that just covered the last three decades.

Mining, minerals and coal present important expanding markets and the situation at NCB Dinnington is a good example of just what PEL can offer. Some years ago we supplied the steel framed head gear and in April of this year we announced the contract for the new skip plant to uprate the shaft capacity. Now the complete coal preparation plant is being designed and supplied by us and our erection teams will finish the job in around 18 months.

The plant is designed to process, clean and grade the coal in a series of operations. Unwanted stones and shale are separated out and discarded and the cleaned high grade coking coal is delivered to 5 storage bunkers according to size and/or quality. For those who prefer the correct terminology it is done by 4 - dense medium separations and froth flotation followed by water clarification and tailings disposal. With a capacity of 330 tons per hour the plant will be capable of handling over a million tons each year.

All this is of course very much simplified and in fact several thousands of man hours are necessary to design the complex workings of such a plant. Once completed however only one man will be required to operate it, this being along the lines adopted by PEL for other collieries at Corton Wood, Coventry, Bevercotes, Bentinck, Cotgrave and Snibston.

At present approximately 50 staff are employed by PEL on mining, mineral and coal preparation work - these engineers, designers and draughtsmen are working on the mechanical, structural, electrical and instrumentation engineering of five current contracts (Luscar, Bagworth, Dinnington, Bentley and Cotgrave) as well as feasibility studies. If the sales plans of PEL go as well as they have done in the past then today's feasibility studies will be the future's "big ones".

Photo left:  
Just some of the HWPEL team

### New Vice Chairman

John Eccles, Managing Director has been appointed Vice Chairman of the Company and will succeed Sir John Wrightson as Chairman when he retires in 1976.



A week before . . . . .

## MASSEY -NAME AT THE TOP

This year B & S Massey moved their sales staff to Paris for a 10 day stay. The reason - "the first world wide machine tool exhibition" held 17 - 26 June. Officially entitled 1.EMO (Exposition Mondiale de Machines - Outils) it was the largest and in terms of countries attending, the most comprehensive display of machine tools,

equipment and accessories, ever put together in one place.

Massey utilised their space to the full over the 10 days with the 7 staff and French agent sharing the stand with an MSC drop hammer headgear, a clear space hammer and a working spark erosion unit.

### FOUNDER MEMBER RETIRES

Thanks go to Norman Harrison, Electronics Engineer at the R & D Division, who retired in May from the Employees Divisional Council as a founder member. His services on the Council are very much appreciated.





## Waiting for the Stork

Tipped off by HW Teesdale Bridge Yard works, Alan Simpson of the photographic dept. of R & D Division immediately sent out his colleague to take a photograph of a sparrow hawk that was supposed to be "swooping" down on people, but found when he arrived that it was merely a rather docile thrush! However, not to disappoint and "bitten by the naturalist bug, our intrepid cameraman, at great risk to himself, secured this picture of a "Mum" blackbird awaiting the arrival of the stork!"

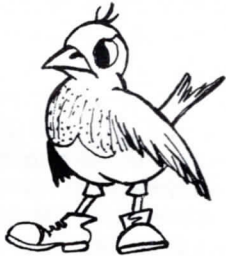
## Modules Validated

H W Teesdale, Thornaby  
S E Bromfield H4 Milling Part 1  
T D Flavell F2 Tungsten gas shielded welding and F4 Manual Metal - ore welding  
G Paul H2 Turning Part 1  
A Pattinson H2 Turning Part 1

H W Teesdale, Middlesbrough  
J J Cronberry H23 Turning Part 2  
A Pinder J1 Mechanical Maintenance Part 1

H W Stampings  
M A Corney H1 Machining for tool making and experiment work  
S Beha H1 Machining for tool making and experiment work  
B Suggett H22 Die Making  
L Jordon J1 Mechanical Maintenance Part 1

## Bird Life in Boots



If you passed the arcade entrance to Boots the chemist in Middlesbrough during May you may have noticed the delightful display of bird paintings just inside the shop entrance with a sign saying "hand painted by a local artist". The artist was Bernard Smith from HWPEL Thornaby who has been with HW just over two years as an estimator. The paintings - birds ranging from a graceful swan gliding down the river to a little fat robin perched on a twig - were exquisite and great trouble had been taken over the details of colouring and composition. The public seemed to like them anyway for by the time the exhibition was over thirteen paintings out of thirty-two had been sold.

## All 'Keyed' Up

You've heard of "clocking" and "signing" in and out, but what do you know about "keying" in and out? HWPEL Thornaby have just started "plan-time" - (flexible working hours between 7.30 - 10.00, 12.00 - 14.00 and 16.00 - 18.00 in each working day for all departments except the switchboard, telex, mail and print rooms), and each person "keys" in and out in order to record the total number of hours worked.

Everyone at HWPEL has been provided with a coded plastic key which, on arrival or departure, is temporarily inserted in any one of the wall mounted terminals conveniently located near entrances.

The advantages of flexible working hours are obvious and the system appears to be working well. The early risers can now start work at 7.30 a.m. while those that are prone to oversleeping need not now be embarrassed by coming in late!



Barbara McConnell, Receptionist shows how easy "keying" in and out can be.

## Thornaby Disaster Fund

Contributions received from employees by the Works Council members for the Mayor of Stockton Coach Disaster Fund totalled almost £250. The Employees Council and the company each donated separate amounts of £250, and on July 1st the HW Works Band joined with other organisations for a concert at the Middlesbrough Town Hall. All proceedings went to the Fund.

As well as painting for pleasure and teaching art at the Stockton Further Education Centre, Bernard plays tennis, snooker and has recently taken a course to learn how to teach illiterates to read and write.

It could be that Bernard's painting talent was inherited from his maternal grandfather whom he says "was paid to stay away from his family so toured the country painting anything from pictures in oils to fairground horses".

Bernard's ambition in life is "to paint the perfect picture of the perfect subject. I haven't met her yet but am willing to audition at any time". Bernard is also a cartoonist . . . . . !



D C Copsey



H Morris



E V Lockney



V E Rex



B Hope



R Underwood



J W Smith



N Hutton



N Willey



N Worrill

## Appointments

### H W TEESDALE

D C Copsey, Engineering Manager  
H Morris, Design Manager  
E V Lockney, Quality Manager  
V E Rex, Chief Draughtsman, Eng. Dept  
B Hope, Leader, Tech. Definition Group, Eng. Dept.  
R Underwood, Leader, Energy Group, Design Dept.  
J W Smith, Leader, Process Group, Design Dept.  
N Hutton, Quality Engineer, Quality Dept.

### H W & CO

Norma Willey, Secretary to Group Chief Accountant. Mr P Hargreaves

### HWPEL, LONDON

N Worrill, Chief Engineer - Gas Cleaning

## Award Scheme Extended

The extension of the company's Long Service Award Scheme now means that employees who reach 25 years continuous service will receive a watch as recognition of their work with the company.

The new award announced by Group Personnel Director, Mr. J. H. Doran at an Employees Council Meeting in May results from a suggestion put forward to the Council some time ago; and it is expected that the award will be made throughout the Group.

This year some 500 employees who have 25-39 years service will receive the award although presentations will not take place until next Spring at Subsidiary companies.

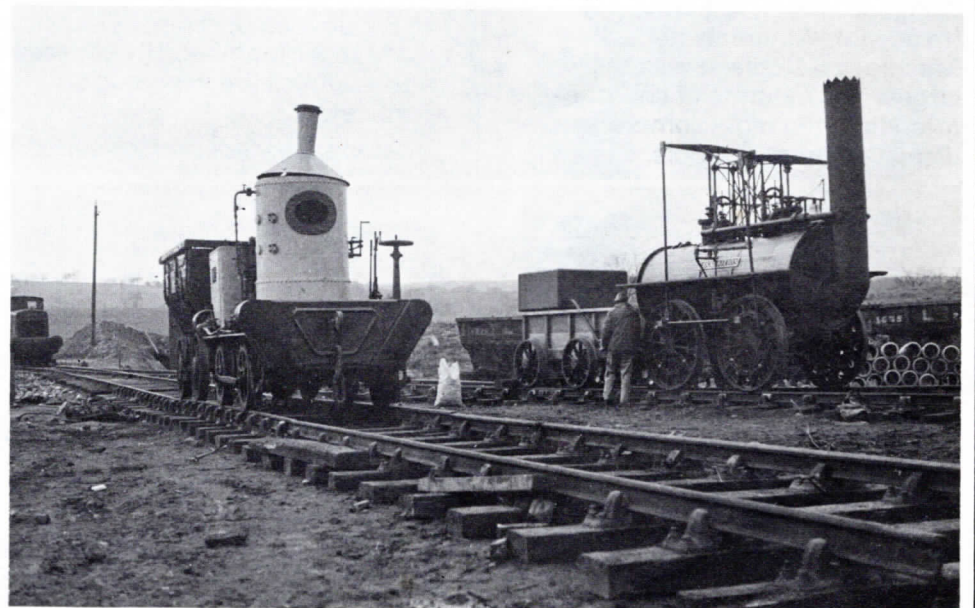
### KEEP IT UP!

Thanks to Donald Briggs of HW Stampings for sending in poems for inclusion in a future issue of "Wright Ahead" and we note that some of these are to be published in the July issue of Poetry Press Limited.

Contributions for the September issue of "Wright Ahead" should be with the Publicity Dept. by Monday 11 August.

## It's the Med for Fred

Fred Watson, Foreman of the Paint and Despatch Dept. at HW Teesdale Bridge Yard, celebrated his 30th Wedding Anniversary by taking his wife on a 15 day mediterranean cruise on "The Oriana" last month. Fred tells us that the cruise was something that he had saved up for and been looking forward to for some time and he meant to enjoy every minute of it. Incidentally, Fred has been with HW for 36 years and is the brother of Billy Watson pictured on the front page of the last "Wright Ahead".



Side by side with the replica of George Stephenson's "Locomotion 1", the HW "Coffee Pot" loco (left) from the Beamish Open Air Museum has been renovated so that it can take part in the Grand Steam Cavalcade on 31st August. See back page for further details of celebrations marking the 150th Anniversary of the Stockton & Darlington Railway.

## Insight on Site

Last year HWPEL Thornaby were successful in obtaining a Management Agency contract to build a new £15 M sinter plant at the Ravenscraig Works of British Steel Corporation at Wishaw, near Glasgow. While construction was in its early stages, one of our "Wright Ahead" reporters took a look at the site and talked to some of the HW team up there.

The first person met was the Resident Engineering Manager, Alan Boon, a quiet spoken, relaxed, confident man who has overall responsibility for work carried out on site during the construction period. Alan's day starts at 8.00 and finishes anytime between 6 and 8.00 in the evening. The 'phone in his office rings all day long with queries that require his attention, whether it be a technical problem on site, problems concerned with labour relations or personnel welfare, safety problems etc. In between calls, he has a great deal of paperwork to attend to - meeting reports, letters to sub-contractors, safety reports, reports on materials in and out of site and so on. Alan says that site life is tough and its not much consolation when your family is miles away, but it is obvious that this is the work he enjoys. His five years at HW have all been spent out on site at Invergordon, Hinkley Point and Llanwern.



Alan Boon

No site office is complete without a touch of glamour and at Ravenscraig there are two 'girl Fridays' - Jennifer Hamilton and Margaret Howley, who cope with the secretarial and clerical work under the guidance of Commercial Manager, Ken Bond, who has not been with Head Wrightson for many months but is already very much one of the team.

In charge of the stores and materials is Whyllie Carlyle who first started with HW at Bradwell Power Station in August 1959. Since then Whyllie has worked at Latina Power Station in Italy, Dungeness, Oldbury, Hinkley 'B', Port Talbot, Bankside, Hunterston, Ensidesa (Spain) and Llanwern. Now he is back in bonny Scotland and not so far from where his wife and five children live, in Annan, Dumfriesshire.

Whyllie is a keen angler and he is President of the Annan Angling Club.

There are not many ladies who are prepared to travel around with a firm and endure the rough and tough way of life in a site office but Sadie Murphy, teamaker extraordinary and general office cleaner goes anywhere with HW

and enjoys every minute of her work. Like Whyllie, Sadie first joined HW at Bradwell Nuclear Power Station as launderess, washing numerous pairs of overalls each day and since then she has worked at Dungeness, Oldbury, Hinkley and Llanwern. Her charming smile and easy manner together with an attractive Irish accent makes any visitor to the site office feel welcome.



Sadie Murphy

The main link between the site office at Ravenscraig and HWPEL at Thornaby is Ken Cooke, Project Co-ordinating Engineer. Ken leaves Thornaby on Monday afternoon after a meeting in the morning, travels to Ravenscraig and remains until Friday morning when he returns to Thornaby for a meeting in the afternoon.

Ken began his career at HW in the training centre and has been with the company for 19 years. Stanton and Staveley, Corby, Appleby/Frodingham, Ravenscraig, British Gypsum, CEBG Radcliffe are some of the contracts he has been involved in. A bachelor, Ken spends much of his spare time deep sea fishing off the North East coast.

The only construction engineer at Ravenscraig at the time was Ron Cuthbert, Resident Construction Engineer responsible for the erection of building and sinter machine. Ron has been with HW for two years at Llanwern. He will remain on the site at Ravenscraig until the plant is finally commissioned. Like Alan Boon he does not get home to see his wife and daughter very often. The two engineers in fact share a furnished house in the Hamilton area and when asked who did the cooking Ron replied "it's between me and him and a tin"!



Ron Cuthbert



Whyllie Carlyle



Ken Cooke

## For Those That Fish



What talented people there are amongst us! Following Doug Tallet's poem "Outward Bound" in the May issue of Wright Ahead, we have another gentleman who likes putting pen to paper and has sent us the following poem which, he says, is "aimed at the poor blokes who adopt fishing as their hobby". Cyril Brooks of Alfred Simpson, Swinton, Manchester, feels sure that it will create some interest and at the same time let anglers know what the poor fish feels and thinks!

### THE FISHES LAMENT by C. Brooks

*Into the air came cries of woe  
That would not be denied  
I looked and found within the stream*

*A fish that cried and cried.*

*It cried for all the fishermen  
Who had waited so patiently  
To catch a fish that would not rise  
To the bait that hung so free.*

*The fish that cried was very sad  
He had watched the line for hours  
But nothing tempting came his way  
So he cried amongst the showers.*

*He cried because the man he's seen  
Was wet, but still sat there  
Waiting for the fish to come  
And fill the basket by his chair.*

*He knew the man hadn't got a chance*

*The fish were very wise  
They weren't going to bite a fly  
That wasn't like other flies.*

*But the man sat on to catch the eye  
Of the fish that cried and cried  
He said before the day was out  
He'd sit and watch him fried.*

## VW News



Not only does our contact at Villares Wrightson in Sao Paulo keep us informed of progress being made on the work front out in Brazil, he sends us photos of attractive young ladies like Regina (above), secretary to Ian Wigmore and Bryan Johnston who are battling against very fierce competition for sinter plant orders. The first sinter plant tender was due in last month and the VW team, which now includes the recently arrived Peter Connell and Denis Walker, are "cautiously optimistic" about the result.

On a more personal note, Bryan reports that he and his family have settled into their new surroundings and have been "exploring the Brazilian outback by car on safari-like journeys often completely off the roads and navigating by a combination of instinct and good luck". From what we hear about the general traffic situation in Sao Paulo, Bryan, the "outback" must be a pleasant change!

## Farewell

The following people have left the company after long service. We wish them all the best in their retirement.



Les Reed



Cliff Harney



Tommy Russell



Tommy Burton



Mary Allan



Sydney Bates



James Hudson



Jack Whitaker

**50 Years** - Les Reed, Technical Manager, HW Teesdale  
**46 Years** - Cliffe Harney, Inspection Engineer, B & S Massey  
**38 Years** - Tommy Russell, Foundry Clerk, H W (Steelcast) Thornaby  
**36 Years** - Tommy Burton, Shear Shop Clerk, H W Stampings  
**31 Years** - Mary Allan, Clerk, Accounts Dept., H W & Co.  
**31 Years** - Sydney Bates, Administrative Officer, H W & Co. London  
**22 Years** - James Hudson, Computer Technician, H W (Steelcast) Thornaby  
**18 Years** - Jack Whitaker, Accountant, H W & Co.

We also say goodbye to the following retirees whose photos are not shown.

Alan Douglas, H W Foundries Ltd., **31 years**  
Edgar Williams, H W (Steelcast) Billingham, **36 years**  
Les Jones, H W Foundries Ltd., **20 years**  
Bill Martin, Gatehouse Keeper, H W Stampings - **14 Years**

### DEATHS

Archie Moffitt, 3/6/75, HW Teesdale (Retired)  
Alojzy Banach, 3/5/75, Fitter, B & S Massey  
Helgar Ellison 27/5/75 Shipwright, HW Teesdale  
William Hayden, 18/5/75, HWPEL Thornaby  
Jim Kelly, 17/6/75, HW Teesdale Erection Dept.

# SOCIAL SCENE

## LAURIE SNAPS UP THE PRIZE



The above view of Corf Castle in Dorset was the winning photographic entry of the first of a series of seven photographic competitions being held by the photographic section of HWM Staff Benevolent & Social Fund. The photographer is Laurie Richardson, Design Engineer who has been with the company 5 years. The first competition entitled "Buildings" was judged during the course of a meeting held in April intended to assist beginners in understanding the various types of cameras available.

The remaining six competitions will be focused on Trees, Industrial, Land/Seascape, Bridges, Portrait and Children and the overall winner will be awarded the O'Connor Cup. Future events include a "Portrait Evening" and an "Introduction to Black/White and Colour Printing". New Officers of the photographic committee are Jim Scott (Chairman), Alan Christison (Secretary), Laurie Richardson (Treasurer) and John Crossman (Magazine Secretary).

## WHO'S GOT A BARN?

Asks Don Thomas of HWPEL Thornaby Social Committee who is having great trouble in finding a suitable barn for a barbeque. If you know of an accommodating farmer, Don would like to be contacted at HWPEL. As an interim activity, a cheese and wine evening was held and Don reports: "All the "know How" came from three gentlemen from Camerons Brewery Limited led by Mr. Merryfield. Five classes (and good measures) of wines were explained, extolled, examined, inhaled and then to ease the frustration - swallowed by about forty-two people. All this "Tasting" etc. was preceded by an excellent film on wine growing, production and classification. Our thanks to the ladies, the Brewery and the RAF club for a good evening."

The most recent event organised by this committee was a river trip on 4th July and we hope to include some interesting photographs of this in our next issue.

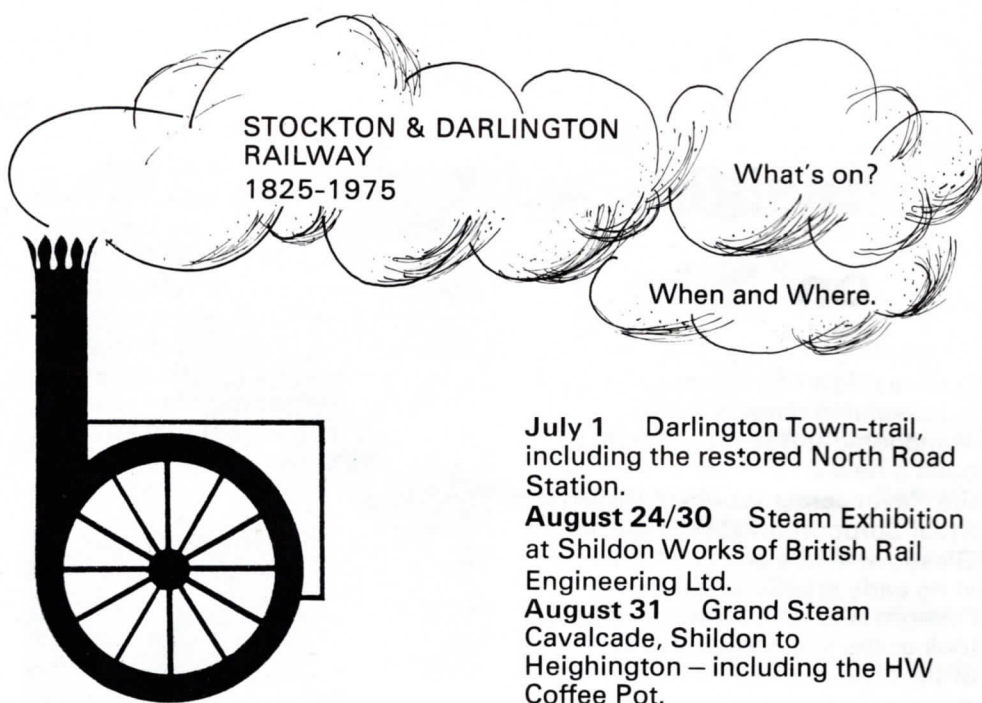
## Summer Wedding



"Welcome back Mrs. Brack" was the greeting for Brenda Brackenbury, Telex operator at HW & Co., Yarm on her return from honeymoon after her wedding on 14th June.

## BACK TO THE CREASE

The 1975 Interdepartmental Cricket competitions started at the end of June and the final (25 overs) is fixed for Thursday 17th July at 6.15 p.m.



June 21 Car Rail-Trail. St. Johns Crossing. Stockton to Darlington. Shildon Urban trail, and car and foot trail to Whitton Park.

July 1 Darlington Town-trail, including the restored North Road Station.

August 24/30 Steam Exhibition at Shildon Works of British Rail Engineering Ltd.

August 31 Grand Steam Cavalcade, Shildon to Heighington - including the HW Coffee Pot.

September 27 Preston Park Pageant.

Further details can be found in the local press.

# SPORTS SPECIAL

The HW Football Section had quite a good season in 1975. After winning their way through to the first round proper of the North Riding Senior Cup, they were beaten 3 - 2 by Billingham Synthonia, but in this North Riding Amateur cup they went one better by defeating Darlington R.A. 2 - 1 in the final.

They also won the Thornaby Charity Cup for the second year running beating Sanderson's Eng. in the final 4 - 0.

This Charity cup is called the Frank Shepherd Trophy and was presented to the competition by the late Mr. Frank Shepherd.

Note: Training for the 1975/76 season will start on the first Monday in August and all old and new players will be welcome to attend.

Bob Nicholson, Secretary

Below: Bridge Yard team - winners of the HW Interdepartmental football final.

## BRIDGE YARD RETRIEVE THE CUP

The final of this years inter-departmental football competition was one of the most exciting finals seen for a number of years. H W Stampings, who started the game as favourites, took the lead through Tony Boylan early in the second half, but with only a minute to go, the Bridge Yard equalised through a goal by Alan Mawby. That took the game into extra time. In the first period of extra time H W Stampings went into a 2 - 1 lead, Tony Boylan again being the scorer, but the Bridge Yard came back and drew level with a goal by George Gascoyne. With only a minute gone the Bridge Yard took the lead 3 - 2 with a good goal by Kevan Nottingham. In the second period of extra time, Kevan Nottingham scored his second goal to make the Bridge Yards lead 4 - 2 and this was too much for Stampings. But all credit to the Bridge Yard who really worked hard for this result.



Bob Nicholson, enjoying the last few minutes of an exciting football final.



Some of the Stampings players during extra time.



HW Teesdale spectators



# HEAD WRIGHTSON

## Summary of report & accounts 1974/75

### ANNUAL GENERAL MEETING

The annual general meeting of the company will be held at the Friarage on Wednesday 16th July 1975 at 3.00 p.m. The following are abstracts from the Chairman's statement.

### CHAIRMANS STATEMENT

#### results

Profits for the year were disappointing. Profit before tax was £302,000 compared to £1,169,000 last year and earnings per share were 1.13p compared to 5.76p. The directors are recommending an equivalent gross dividend of 1.73p compared to a total of 3.31p last year.

There are a number of encouraging indications that we reached the bottom of the trough in the middle of last year and the trading situation is now showing a considerable improvement.

Trading profits of the part of the group which is trading at the present time increased from £2,225,000 to £2,360,000. However these profits are reduced by exceptional items of £641,000 compared to £89,000 last year. The exceptional items are first a provision against a steel works plant contract in Argentina to which I referred in my statement last year, and which required a further provision of £255,000 this year. This plant is complete and there are no indications that further provisions will be needed. The other main item is a provision against certain development costs of equipment for use in the North Sea Oil Industry. Under the present difficult economic circumstances we thought it best to write off this expenditure.

As explained later, during the year we suspended production at the Iron Foundry and our Australian subsidiary company went into liquidation. The trading losses of these two operations for the year have to be deducted and they amounted to £1,192,000 compared to £663,000 last year.

Also to be deducted is interest payable of £883,000 compared to £397,000. Interest was high due to the rates of interest prevailing for most of the year and to increased borrowings in the middle of the year.

#### cash flow

One aspect of inflation which is not fully appreciated outside industry and commerce is the effect that inflation has on the financing requirements of companies. Unfortunately the general level of inflation does not necessarily reflect the experience of individual companies. We measure the rate of increase in our costs and our figures show that over the year our costs increased by 42 per cent compared to an increase in the Retail Price Index of 20 per cent. Cost increases at this rate give rise to substantial financing problems.

Over the past year we have managed to finance increased business without any major change in our bank borrowings even after capital expenditure of £1,237,000. We have done this by looking carefully at our stocks and work in progress and reducing these to make the maximum use of the money that is available. We have also been successful in obtaining improved progress payments from our customers and have tightened our credit control so that at 31 January 1975 debtors represented just over two and a half months' sales compared to just over three months' one year earlier. At the same time we have come under increasing pressure from our creditors many of whom face similar problems to our own.

Realigning the assets in this way is not a process that can be continued indefinitely and we have arranged additional bank facilities in excess of our immediate needs.

The capital expenditure of £1,237,000 was mainly in respect of replacing and improving our assets across the group.

#### board of directors

In June 1976 I shall reach retirement age and so this is my last statement to you as Chairman. The board are appointing Mr John Eccles as Vice Chairman and it is our wish that he shall succeed me as Chairman when I retire. Mr Eccles joined the company in 1954, was elected a director in 1964 and appointed Managing Director in 1968. I am confident that I am handing over to him knowing that he will serve the best interests of the company in every way and I wish him every good fortune.

#### summary

Last year we obtained orders of £82 million which is a record order book for the group in real terms as well as in value. We have had further large orders since the end of the year and we expect the turnover for the current year to be over £60 million.

During 1973 our policy was one of expansion and investment. This policy was in full implementation by October 1973 when the rise in the price of energy radically altered our expectations. It was necessary to rethink our position during 1974 and indeed to retrench in certain directions as well as to postpone some of our more ambitious plans. During this time we carefully considered whether the policy of 1973 was the correct one, suffering from temporary interruption, or whether we should pursue a changed policy.

### SUMMARY OF RESULTS

	1974/75	1973/74
Group Turnover	£53,165,000	£40,369,000
Group Trading Profit	1,168,000	1,562,000
Group Profit after Taxation	168,000	792,000
Dividend per share	1.73p	3.31p
Earnings per share	1.13p	5.76p

Copies of the Report and Accounts for 1974/75 are available from The Company Secretary, at The Friarage.

It is our view that we should continue to build an integrated group of engineering companies covering a wide range of customer industries. Our companies range from steel stockholders to turnkey contractors for process plant. In between, as shown in our organisation chart, we have companies supplying components, fabrications and proprietary machines. This gives us a wide commercial and technical base which we require for our business as designers and suppliers of sophisticated engineering capital goods. In common with other heavy engineering companies we need reasonably stable economic conditions in which to operate successfully long term. We do not enjoy such conditions and it is not without significance that our own capital expenditure programme is reduced although we are continuing to buy machine tools as we have done consistently in past years.

#### outlook

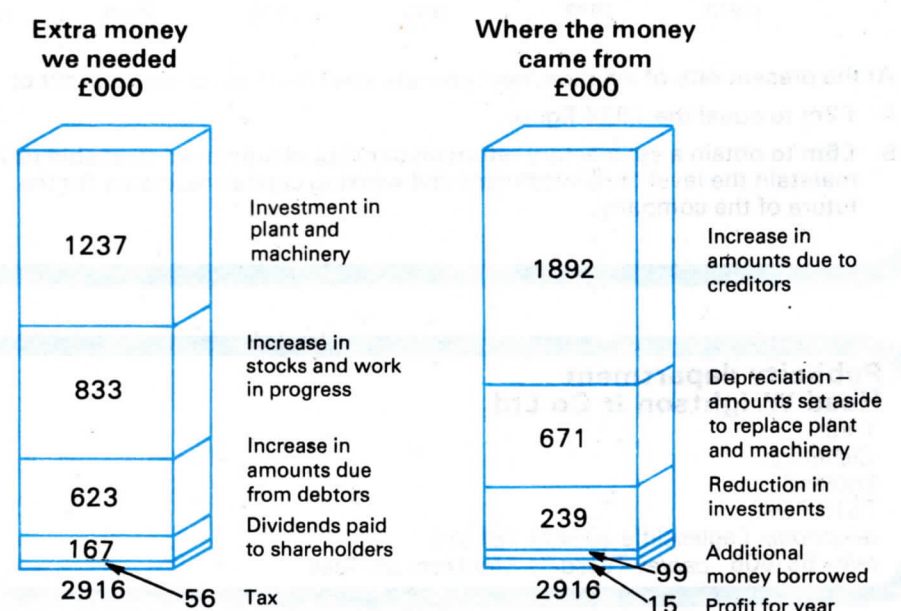
Prediction is no less hazardous than it was last year. Then, inflation was mounting to a 40 per cent annual rate of increase in our group costs; inflation remains unpredictable and it is worth re-emphasising that inflation at anything approaching current rates is incompatible with sound long term plant contracting at home and abroad – a business in which your company is constantly engaged. The present rate of inflation is also incompatible with sound employment policies designed to attract highly qualified young men and to provide them with a life-long career and an adequate pension. We look to the government to introduce policies which will bring the UK rate of inflation down to that facing our principal competitors as soon as possible. We could also do with a respite from the present flood of legislation in pursuit of doubtful priorities.

In the meantime the group with the exception of the steel stockholding companies is busy. However, we view the prospects of remaining so with some caution. Whilst the underlying demand for Head Wrightson goods and services remains strong there must be some doubt about the UK's short-term ability to sustain an internal demand for capital goods in both the public and private sectors. There must also be some doubt about our ability to stay competitive in export markets.

In short we have enough work in hand to sustain us for a further year and we should be able to generate a reasonable profit. Looking further ahead is difficult. Times change rapidly and there is much uncertainty. Whatever else 1974 showed it demonstrated Head Wrightson's ability to react speedily to the liquidity problems which trouble industry. We shall continue to accept each challenge as it arises and will look for the earliest opportunity to return to our stated policy of expansion.

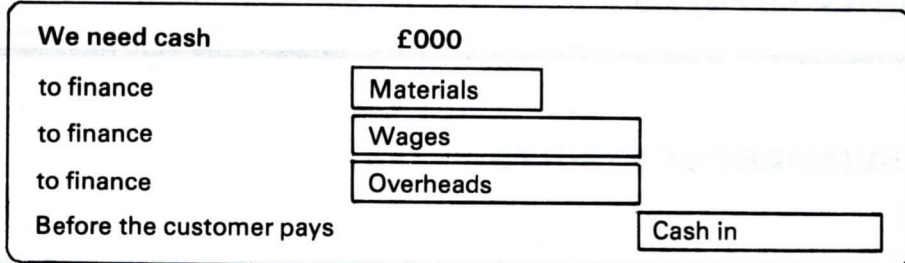
### SOURCE AND APPLICATION OF FUNDS

In our accounts this year we have shown a statement of source and application of funds. This is a statement showing the amount of extra money introduced into the business during the year and where it came from.



### CASH – A VITAL COMMODITY

In the present inflationary times cash is a vital commodity. Large and sometimes long term contracts need to be financed, materials bought, wages paid and operating costs settled before progress payments are received and cash flows back into the business. This is obviously a continuing process and cash is coming in all the year but there still has to be a supply of cash available in the company and this is being severely affected by rising costs through inflation.



The Chairman in his statement has made particular reference to our efforts to improve our cash flow without any major change in our bank borrowing.

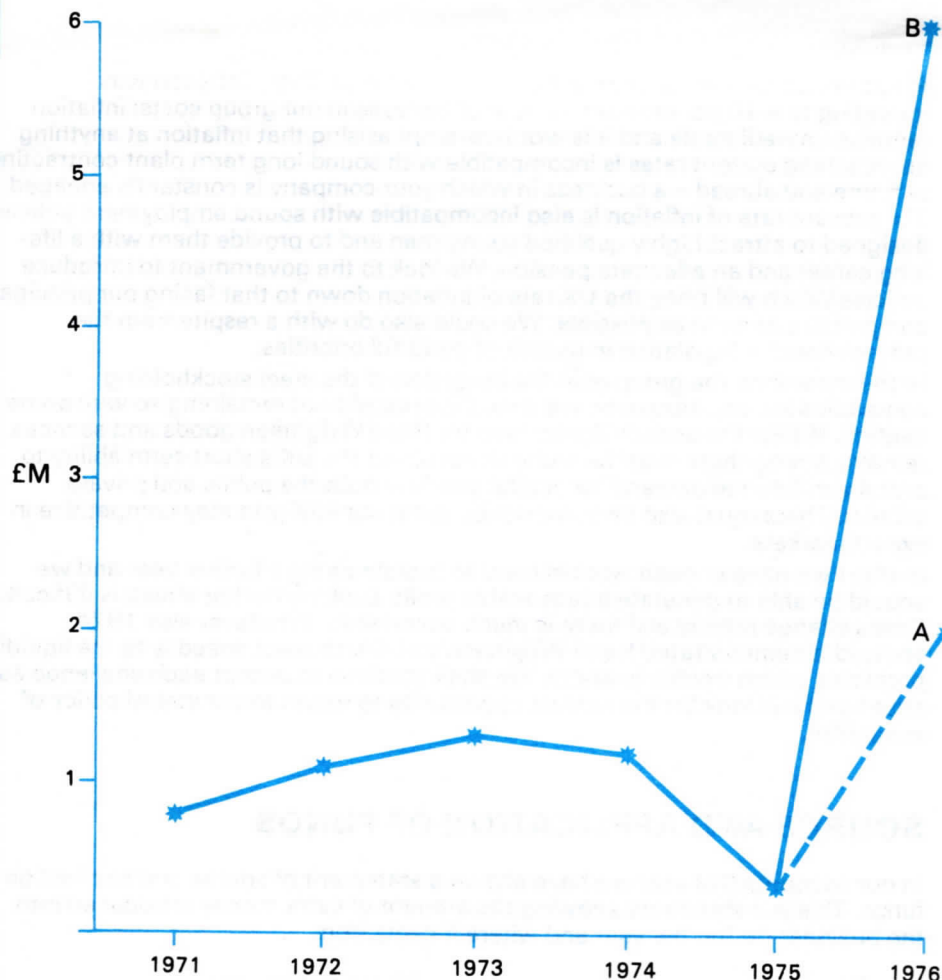
### PROFIT IS ESSENTIAL

We need profit to:

1. Provide increased working capital. This is particularly important when increasing amounts of money are being needed because of rising prices of raw materials. Our costs last year rose by over 40%. Bank borrowing is expensive.
2. Maintain a high level of capital expenditure. Without this we cannot remain competitive.
3. Build up reserves. By adding to our capital resources we make ourselves more attractive to investors and improve our credit rating with the banks.
4. Pay our shareholders and reduce our bank borrowings.

All of these are necessary to safeguard our future and provide continuity of employment.

### GROUP PROFIT BEFORE TAX



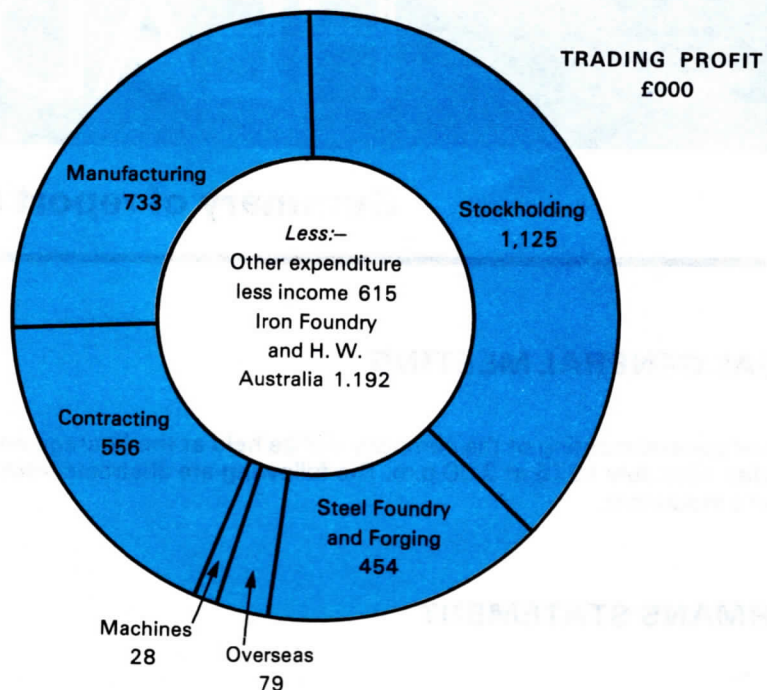
At the present rate of inflation, next year we shall need to achieve a profit of

- A. £2m to equal the 1974 figure.
- B. £6m to obtain a satisfactory return on our capital employed to enable us to maintain the level of reinvestment and working capital necessary for the future of the company.

### Publicity department Head Wrightson & Co Ltd

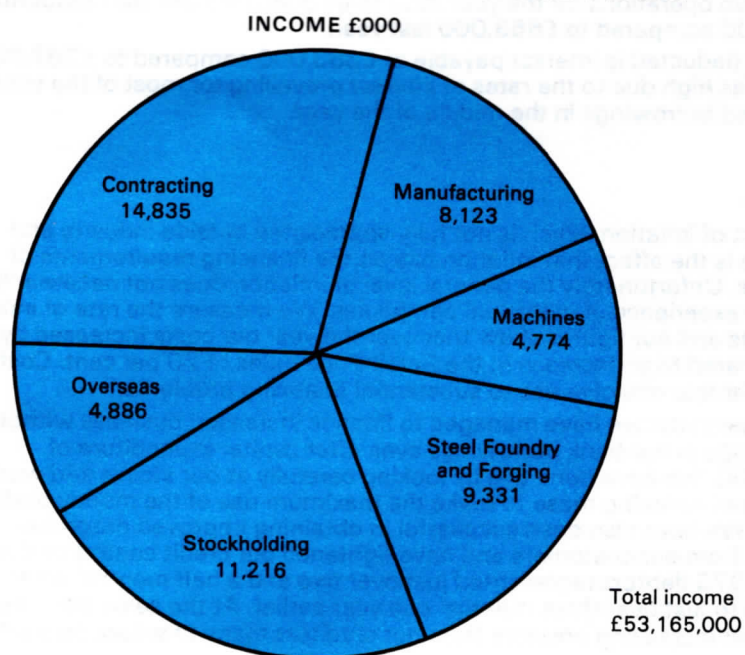
Yarm  
Cleveland  
England  
TS15 9DA  
telephone Eaglescliffe (0642) 781010  
telex 58-606 cables Teesdale Stockton-on-Tees

### WHERE OUR PROFIT WAS EARNED

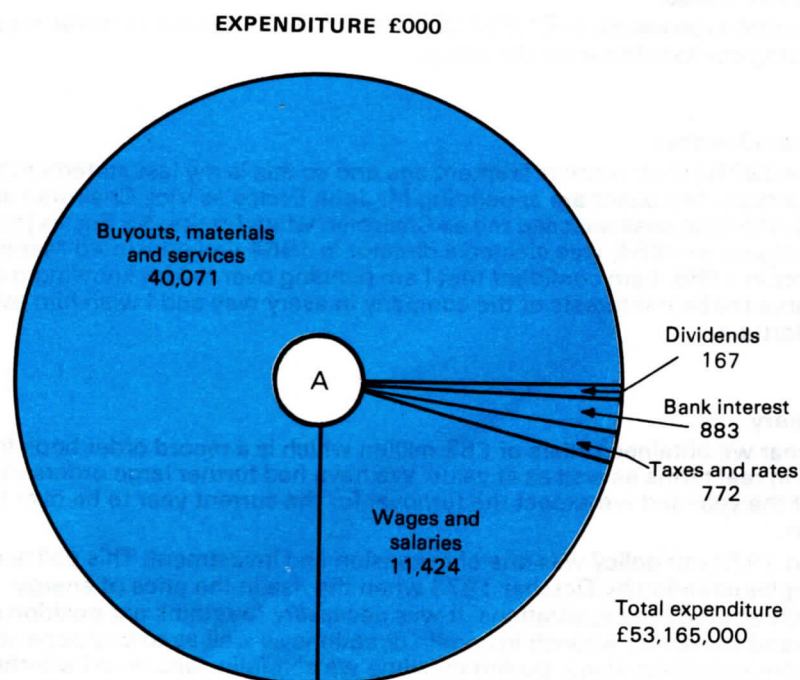


	£000
Trading Profit	1,168
Investment income	17
<b>Total</b>	<b>1,185</b>
Bank interest	(883)
<b>Profit before tax</b>	<b>302</b>
Tax	(134)
<b>Profit after tax</b>	<b>168</b>
Extraordinary items	(153)
<b>Profit available for distribution</b>	<b>15</b>
Dividends	(167)
Transfer from reserves	(152)

### WHERE OUR MONEY CAME FROM



### WHERE OUR MONEY WENT



A. Transferred from reserves £152