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MAYER COHEN INDUSTRIES LIMITED

DIRECTORS REPORT AND
FINANCIAL STATEMENTS

FOR THE PERIOD 1ST SEPTEMBER, 1986
TO 31ST DECEMBER, 1986

**WG
&D**



WATTS GREGORY & DANIEL CHARTERED ACCOUNTANTS

MAYER COHEN INDUSTRIES LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and the audited accounts of the company for the period 1st September, 1986 to 31st December, 1986.

Results and dividend

The company has not traded during the year and therefore no profit and loss account has been prepared.

The only transactions are those reflected in the balance sheet.

No dividend is being recommended.

Share capital

Changes in share capital are set out in Note 3.

Fixed assets

During the period the company acquired the freehold property known as the Cory Distribution Centre, Cross Keys, Gwent for £583,693.

Directors

The directors who served during the period were -

J. L. Cookson	[Chairman]] Directors of Mayer
J. B. Roberts] Newman & Co. Ltd.
R. O. Cohen	Appointed 12.11.86	- Director of A. Cohen & Co. PLC
D.A.H. Davies	do.	- Director of A. Cohen & Co. PLC
M. S. Burstall	do.	- Managing Director

MAYER COHEN INDUSTRIES LIMITED

REPORT OF THE DIRECTORS - CONTINUED

Directors [Continued]

No director had any direct beneficial interest in the share capital of the company. Their interests in the share capital of the shareholder companies is shown in the accounts of those companies.

In accordance with the Articles of Association all directors retire at the next Annual General Meeting and being eligible offer themselves for re-election.

Shareholder companies

The share capital of the company is owned equally by A. Cohen & Co. [Great Britain] Limited and Mayer Newman & Company Limited, both companies registered in the U.K.

Auditors

A resolution to reappoint the auditors Watts Gregory & Daniel will be put to the members at the Annual General Meeting.

By Order of the Board

P. P. Moxey *P. P. Moxey*

Company Secretary

5th July, 1988

REPORT OF THE AUDITORS
TO THE MEMBERS OF
MAYER COHEN INDUSTRIES LIMITED

We have audited the financial statements on pages 4 and 5 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared on the basis of accounting policies set out on page 5 give a true and fair view of the state of affairs of the company at 31st December, 1986 and comply with the Companies Act 1985.

Watts Gregory Daniel

WATTS GREGORY & DANIEL
Chartered Accountants,
12, Museum Place,
Cardiff.

5th July, 1988

MAYER COHEN INDUSTRIES LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER, 1986

31.8.86

FIXED ASSETS

Tangible assets -

Freehold property [at cost]

583693

CURRENT ASSETS

Loan to holding company

Debtors

397

100

CREDITORS - amounts falling due
within one year

Bank overdraft

124

NET CURRENT ASSETS

273

100

TOTAL ASSETS LESS CURRENT LIABILITIES

583966

100

CREDITORS - amounts falling due
after more than one year -

Bank loan - secured [Note 2]

460000

Loan from shareholder companies

23966

483966

£100000

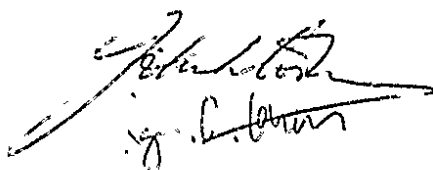
£100

CAPITAL AND RESERVES

Called up share capital [Note 3]

£100000

£100



J. L. Cookson

R. O. Cohen

)
)
) Directors

MAYER COHEN INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST DECEMBER, 1986

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention

Depreciation

No depreciation was provided on the freehold property. The property was acquired in November, 1986 but the business was not transferred to the premises until 1987, therefore depreciation was not considered appropriate.

2. Bank loan

The bank loan was repaid in 1987 and replaced by a further loan of the same amount. The loan was not advanced until 19th December, 1986.

3. Share capital

31.8.86

Ordinary shares of £1		
Authorised, issued & fully paid	£100000	£100

99,900 ordinary shares were issued on the 19th December, 1986.

4. Capital commitments

Contracted	£124835
Authorised not contracted	£39527

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MAYER COHEN INDUSTRIES LIMITED

DIRECTORS REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31ST DECEMBER, 1987.

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ST. LOUIS

CLASSIFIED
26 SEP 1988
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WATTS GREGORY & DANIEL CHARTERED ACCOUNTANTS

MAYER COHEN INDUSTRIES LIMITED

CHAIRMANS REPORT

To say that our first year's trading has been eventful would be a classic understatement.

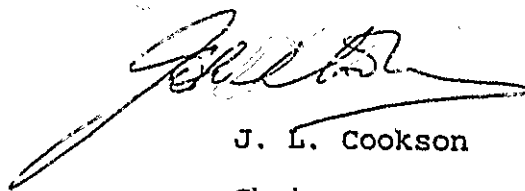
Snow in January during our move of over 20,000 storage cages from the old Cwmbran factory, two months of the British Telecom engineers strike, an increase in the labour force from 70 to over 150 have all been handled smoothly and efficiently. Considering all the above problems, the first year's profits were satisfactory.

The current year has got off to a good start and it is pleasing to note the increase in non British Telecom related business.

We have exciting investment plans for this year and would hope that they will be making significant contributions to profits by the end of the year.

Given the current levels of business for the rest of the year I would expect a significant improvement on last year's figures.

Finally I would like to thank the directors and staff for all the hard work they have put in during the first year's trading.



J. L. Cookson

Chairman

MAYER COHEN INDUSTRIES LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and the audited accounts of the company for the year ended 31st December, 1987.

Results and dividend

The results for the year are set out on page 5. No dividend is proposed.

Principal activity

The principal activity of the company is the recycling of plastic and electronic scrap with a view to recovering plastic, precious metals, ferrous and non-ferrous metals.

Review of the business and future prospects

The company commenced trading on the 1st January, 1987 having purchased the net assets of a joint venture operation run by the two shareholder companies.

A review of the year and future prospects are set out in the Chairman's statement.

Share capital

Details of changes in share capital are set out in note 13.

Market value of land and buildings

The freehold property was valued on 31st December, 1986 by independent valuers at £575,000. The directors consider that any difference between book value and market value at the year end is of no significance to the members.

Fixed assets

Changes in the fixed assets during the year are set out on page 7.

MAYER COHEN INDUSTRIES LIMITED

REPORT OF THE DIRECTORS [CONTINUED]

Shareholder companies

The share capital of the company is owned equally by A. Cohen & Co. [Great Britain] Limited and Mayer Newman & Company Limited, both companies registered in the U.K.

Directors and their interests

The directors who served during the year were as follows -

R. O. Cohen - Director of A. Cohen & Co. PLC
D.A.H. Davies - Director of A. Cohen & Co. PLC
J. B. Roberts] Directors of
J. L. Cookson [Chairman]] Mayer Newman & Company Ltd.
M. S. Burstall - Managing Director

No director had any direct interest in the share capital of the company. Their interests in the share capital of the shareholder companies is shown in the accounts of those companies.

In accordance with the Articles of Association all directors retire at the next Annual General Meeting and being eligible offer themselves for re-election.

Auditors

A resolution to reappoint the auditors, Watts Gregory & Daniel will be put to the members at the Annual General Meeting.

By Order of the Board

P. P. Moxey *PPM*
Company Secretary

5th July, 1988.

REPORT OF THE AUDITORS
TO THE MEMBERS OF
MAYER COHEN INDUSTRIES LIMITED

We have audited the financial statements on pages 5 to 14 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared on the basis of accounting policies set out on page 8 give a true and fair view of the state of affairs of the company at 31st December, 1987 and of the profit and source and application of funds for the year ended on that date and comply with the Companies Act 1985.

Watts Gregory Daniel

WATTS GREGORY & DANIEL

Chartered Accountants,

12, Museum Place,
Cardiff.

5th July, 1988

MAYER COHEN INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st DECEMBER, 1987

Turnover [Note 2]	1644831
Cost of sales	306827
	<hr/>
	1338004
Operating costs [Note 3]	1119172
	<hr/>
	218832
Other operating income	12365
	<hr/>
Operating profit	231197
Income from fixed asset investments	441
	<hr/>
	231638
Interest payable and similar charges [Note 5]	101152
	<hr/>
Profit on ordinary activities before taxation	130486
Tax on profit on ordinary activities [Note 6]	37670
	<hr/>
Profit on ordinary activities after taxation	92816
Proposed dividend	-
	<hr/>
Retained profit	£92816
	<hr/>

MAYER COHEN INDUSTRIES LIMITED

BALANCE SHEET

AS AT 31st DECEMBER, 1987

1986

FIXED ASSETS

Tangible assets - per schedule	815066	583693
Investments [Note 7]	328166	-
	<hr/>	<hr/>
	1143232	583693
		<hr/>

CURRENT ASSETS

Stocks [Note 8]	171456	-
Debtors [Note 9]	284894	397
Cash at bank and in hand	9466	-
	<hr/>	<hr/>
	465816	397
CREDITORS - amounts falling due within one year [Note 10]	359937	124
	<hr/>	<hr/>

NET CURRENT ASSETS	105879	273
	<hr/>	<hr/>

TOTAL ASSETS LESS CURRENT LIABILITIES	1249111	583966
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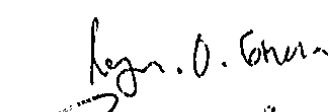
CREDITORS - amounts falling due after more than one year [Note 11]	873390	483966
	<hr/>	<hr/>
	369721	100000

PROVISION FOR LIABILITIES AND CHARGES

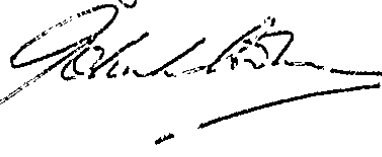
Deferred taxation [Note 12]	13945	-
	<hr/>	<hr/>
	£355776	£100000
	<hr/>	<hr/>

CAPITAL AND RESERVES

Called up share capital [Note 13]	262960	100000
Profit and loss account	92816	-
	<hr/>	<hr/>
	£355776	£100000
	<hr/>	<hr/>



 R. O. Cohen]



 J. L. Cookson]

 Directors

MAYER COHEN INDUSTRIES LIMITED

SCHEDULE OF TANGIBLE FIXED ASSETS

	Freehold land and buildings	Plant machinery & equipment	Motor vehicles	Total
Cost				
At 31st December, 1986	583693	-	-	583693
Additions during year	49852	325322	16060	391234
Less S.F.A. grant	[102340]	[16411]	[1249]	[120000]
At 31st December, 1987	<u>£531205</u>	<u>£308911</u>	<u>£14811</u>	<u>£854927</u>
Depreciation				
Provision for year and At 31st December, 1987	<u>£9287</u>	<u>£27789</u>	<u>£2785</u>	<u>£39861</u>
Net book value				
At 31st December, 1986	<u>£583693</u>	<u>-</u>	<u>-</u>	<u>£583693</u>
At 31st December, 1987	<u>£521918</u>	<u>£281122</u>	<u>£12026</u>	<u>£815066</u>

Freehold land and buildings includes the cost of land which has not been depreciated.

Cost	250000
S.F.A. grant	[43833]
Net cost	<u>£206167</u>

MAYER COHEN INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST DECEMBER, 1987

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life, as follows -

Freehold buildings	- 35 years
Plant, machinery & equipment	- 3 to 10 years
Motor vehicles	- 3 to 4 years

Government grants

These are only accounted for when received and are then deducted from the cost of the fixed assets to which they relate.

Stocks

Stocks are stated at the lower of cost and net realisable value. In the case of work in progress and finished goods, cost includes attributable production overheads based on normal activity levels.

Research and development

Research and development expenditure is written off when incurred.

Deferred taxation

Deferred taxation is provided on the liability method on all short term and long term timing differences, except for those which are not expected to reverse in the future.

Leased assets

Assets held under finance leases are capitalised and depreciated in accordance with the depreciation accounting policy. Future capital payments are included as a liability.

MAYER COHEN INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS [CONTINUED]

YEAR ENDED 31ST DECEMBER, 1987

2. Turnover

Turnover represents the invoiced amount of goods sold and services provided during the year, stated net of value added tax.

3. Operating costs

Staff costs	613000
Depreciation	39861
Auditors remuneration	3600
Equipment hire	2140
Other operating costs	460571
	<hr/>
	£1119172
	<hr/>

4. Staff costs

Wages and salaries	565398
Social security costs	45932
Other pension costs	1670
	<hr/>
	£613000
	<hr/>

The average weekly number of employees during the year was made up as follows -

Factory	100
Office and management	7
	<hr/>
	107
	<hr/>

Directors remuneration [included in staff costs] comprised the following -

Salary and bonus	33636
Pension contribution	1670
	<hr/>
	£35306
	<hr/>

MAYER COHEN INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS [CONTINUED]

YEAR ENDED 31ST DECEMBER, 1987

5. Interest payable and similar charges

On bank loans, overdrafts and other
loans wholly repayable within
five years

96565

Finance leases and hire purchase

4587

£101152

6. Tax on profit on ordinary activities

The taxation charge is made up as follows -

Corporation tax

23725

Deferred tax

13945

£37670

7. Investments

49250 Ordinary shares of 20p each in
A. Cohen & Co. PLC
At cost

£328166

The shares are listed and are dealt on a
recognised stock exchange. The market
value at 31st December, 1987 was £229,012
and at 1st July, 1988 was £332,437.

8. Stocks

Raw materials and consumables

27957

Work in progress

115696

Finished goods

27803

£171456

MAYER COHEN INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS [CONTINUED]

YEAR ENDED 31ST DECEMBER, 1987

1986

9. Debtors

Trade debtors	264308	
Prepayments and accrued income	17466	
Other debtors	3120	397
	<hr/>	<hr/>
	£284894	£397
	<hr/>	<hr/>

10. Creditors - amounts falling due within one year

Bank overdraft	-	124
Trade creditors	130466	-
Accruals	28046	-
Corporation tax	23725	-
Other taxes and social security costs	39386	-
Short term loan - British Coal Enterprise Ltd.	60000	-
Amount due to Mayer Newman & Co. Ltd.	50000	-
Other creditors	28314	-
	<hr/>	<hr/>
	£359937	£124
	<hr/>	<hr/>

The loan from British Coal Enterprise Ltd. was repaid on 29th February, 1988 on receipt of further SFA grant monies of £60,000. Interest is charged at 10.5% p.a.

The amount due to Mayer Newman & Co. Ltd. was repaid on 29th February, 1988. The outstanding balance is subject to interest of approximately 11% p.a.

11. Creditors - amounts falling due after more than one year

Bank mortgage loan	460000	460000
Bank loan	300000	-
Amounts due to shareholder companies	80000	23966
Other creditors	39390	-
	<hr/>	<hr/>
	£879390	£483966
	<hr/>	<hr/>

MAYER COHEN INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS [CONTINUED]

YEAR ENDED 31ST DECEMBER, 1987

1986

11. Creditors - amounts falling due after
more than one year [Continued]

The bank mortgage loan carries interest at 11.125% p.a. and the bank loan a variable rate of 2% over bank base rate. Both loans are repayable in full in November, 1990.

All bank borrowings are secured by a legal mortgage over the freehold premises and a memorandum of deposit over 44,000 shares in A. Cohen & Co. PLC.

The amounts due to holding companies of £40,000 each were converted to share capital on 10th February, 1988.

12. Deferred taxation

Deferred tax is provided on the following timing differences -

Accelerated capital allowances	15957
Short term items	[2012]
	<hr/>
	£13945
	<hr/>

13. Share capital

Ordinary shares of £1 each

Authorised	£600000	£100000
Issued and fully paid	£262960	£100000

At an Extraordinary General Meeting held on 27th October, 1987 an Ordinary Resolution was passed increasing the authorised nominal share capital of the company to £600,000.

162960 ordinary shares were issued on the 28th October, 1987.

Amounts due to shareholder companies of £80,000 were converted to share capital on the 10th February, 1988.

MAYER COHEN INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS [CONTINUED]

YEAR ENDED 31ST DECEMBER, 1987

14. Capital commitments

Contracted
Authorised but not contracted

£20174
Nil

15. Contingent liabilities

There were no contingent liabilities at the year end.

16. Transactions involving directors

A number of the directors are also directors of companies who entered into transactions with the company. All these transactions were entered into on an arms length basis.

MAYER COHEN INDUSTRIES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 31ST DECEMBER, 1987

SOURCE OF FUNDS

Profit for the year before taxation 130486

Adjustments for items not involving
the flow of funds -

Depreciation 39861

FUNDS GENERATED FROM OPERATIONS 170347

OTHER SOURCES

S.F.A. grant [Regional Selective Assistance] 120000

Bank loans 760000

Share capital 262960

Increase amounts due to shareholder companies 130000

Short term loan 60000

Hire purchase/lease finance 77395

1580702

APPLICATION OF FUNDS

Purchase fixed assets 974927

Hire purchase repayments [capital] 18061

Purchase investments 328166

1321154

INCREASE IN WORKING CAPITAL £259548

MOVEMENT IN WORKING CAPITAL ITEMS

Increase in stocks 171456

Increase in debtors 284894

[Increase] in creditors [excl. corporation
tax, loans and hire purchase creditor] [206268]

Movement in net liquid funds:

Increase bank and cash balances 9466

£259548