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MAYER COHEN INDUSTRIES LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 1995**

Company No. 322715



WATTS GREGORY & DANIEL CHARTERED ACCOUNTANTS

■ The UK 200 Group ■

MAYER COHEN INDUSTRIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

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MAYER COHEN INDUSTRIES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

M.S. Burstall
R.O. Cohen
J.B. Roberts
J.L. Cookson
D.A.H. Davies
R.A. Mortimer
R.A.L. Norton
P.J. Roberts

COMPANY SECRETARY

A.B. Leck

REGISTERED OFFICE

Clareville House
25-27 Oxendon Street
London
SW1Y 4EL

AUDITORS

Watts Gregory & Daniel
Chartered Accountants & Registered Auditors
10/14 Museum Place
CARDIFF
CF1 3NZ

BANKERS

National Westminster Bank Plc
PO Box 2DG
208 Piccadilly
London W1A 2DG

SOLICITORS

Harold Benjamin & Collins
Hill House
67-71 Lowlands Road
Harrow
Middlesex HA1 3EX

MAYER COHEN INDUSTRIES LIMITED
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 1995

The company had another successful year in 1995, although margins were reduced as a result of changes in its major contract with BT and as was predicted profits were depressed in comparison with the previous year.

In a public tendering exercise, following the year end, the Company failed to retain the BT contract and is now restructuring to concentrate on its other activities, some of which are innovative. Although the loss of the BT business is a serious setback, a small profit is expected in 1996 after meeting the costs of redundancy and restructuring.



D.A.H. Davies
Chairman

Date: 12/1/96

MAYER COHEN INDUSTRIES LIMITED

THE DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 1995

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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.

The company also remanufactures and sells re-usable units and components.

A review of the business is set out in the Chairman's statement.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

The balance of the profits for the year amounting to £52,588 will be set against the deficit brought forward on profit and loss account.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 Dec 95	At 1 Jan 95
M.S. Burstall	-	-
R.O. Cohen	-	-
J.B. Roberts	-	-
J.L. Cookson	-	-
D.A.H. Davies	-	-
R.A. Mortimer	-	-
R.A.L. Norton	-	-
P.J. Roberts	-	-
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MAYER COHEN INDUSTRIES LIMITED

THE DIRECTORS' REPORT *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 1995

FIXED ASSETS

The movements in fixed assets are recorded in the notes to the financial statements.

MARKET VALUE OF LAND AND BUILDINGS

The freehold property was professionally valued on 11 May 1995 at £1,500,000. The revalued amount is shown in the balance sheet.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 12, and then apply them consistently; make judgements and estimates that are reasonable and prudent; state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

POST BALANCE SHEET EVENT

The company has sold the holding of 49,250 Ordinary shares in A. Cohen & Co. Plc during 1996. The net proceeds of the sales were £267,302. The proceeds of the disposal have been applied in reducing bank debt.

AUDITORS

A resolution to re-appoint Watts Gregory & Daniel as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

MAYER COHEN INDUSTRIES LIMITED

THE DIRECTORS' REPORT *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 1995

Registered office:
Clareville House
25-27 Oxendon Street
London
SW1Y 4EL

Signed on behalf of the directors



A.B. Leck
Company Secretary

Approved by the directors on 12/11/96

MAYER COHEN INDUSTRIES LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 1995

We have audited the financial statements on pages 7 to 24 which have been prepared in accordance with the accounting policies set out on page 12.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described in the directors' report, the directors of the company are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 1995 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Watts Gregory Daniel

WATTS GREGORY & DANIEL
Chartered Accountants
& Registered Auditors
10/14 Museum Place
CARDIFF
CF1 3NZ

21/1/96

Watts Gregory & Daniel

MAYER COHEN INDUSTRIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1995

	Note	1995 £	1994 £
TURNOVER	2	3,238,992	3,654,051
Cost of sales		(1,829,836)	(1,893,674)
GROSS PROFIT		1,409,156	1,760,377
Distribution costs		(85,990)	(81,173)
Administrative expenses		(1,173,571)	(1,140,528)
Other operating income	3	23,460	28,407
OPERATING PROFIT	4	173,055	567,083
Income from other fixed asset investments	7	4,617	-
Interest payable and similar charges	8	(108,966)	(103,547)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		68,706	463,536
Tax on profit on ordinary activities	9	(16,118)	(19,805)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		52,588	443,731
RETAINED PROFIT FOR THE FINANCIAL YEAR		52,588	443,731

CONTINUING OPERATIONS

All of the activities of the company are classed as continuing.

The notes on pages 12 to 24 form part of these financial statements.

Watts Gregory & Daniel

MAYER COHEN INDUSTRIES LIMITED
FOR THE YEAR ENDED 31 DECEMBER 1995

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1995 £	1994 £
Profit for the financial year attributable to the shareholders'	52,588	443,731
Unrealised Loss on revaluation of properties	-	(500,000)
Total gains and losses recognised since the last annual report	<u>52,588</u>	<u>(56,269)</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1995 £	1994 £
Profit for the financial period	52,588	443,731
Other net recognised gains and losses	-	(500,000)
Net addition/(reduction) to funds	<u>52,588</u>	<u>(56,269)</u>
Opening shareholders' equity funds	1,637,153	1,693,422
Closing shareholders' equity funds	<u>1,689,741</u>	<u>1,637,153</u>

The notes on pages 12 to 24 form part of these financial statements.

Watts Gregory & Daniel

MAYER COHEN INDUSTRIES LIMITED

BALANCE SHEET

31 DECEMBER 1995

	Note	1995 £	1994 £
FIXED ASSETS			
Tangible assets	10	1,858,351	1,832,231
Investments	11	347,167	328,167
		<u>2,205,518</u>	<u>2,160,398</u>
CURRENT ASSETS			
Stocks	12	527,314	286,666
Debtors	13	782,925	828,467
Cash at bank and in hand		3,259	2,218
		<u>1,313,498</u>	<u>1,117,351</u>
CREDITORS: Amounts falling due within one year	14	(1,268,684)	(1,060,475)
NET CURRENT ASSETS		<u>44,814</u>	<u>56,876</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,250,332</u>	<u>2,217,274</u>
CREDITORS: Amounts falling due after more than one year	15	(525,591)	(560,316)
		<u>1,724,741</u>	<u>1,656,958</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	17	(35,000)	(19,805)
NET ASSETS		<u>1,689,741</u>	<u>1,637,153</u>
CAPITAL AND RESERVES			
Equity share capital	21	735,510	735,510
Revaluation reserve	22	1,008,117	1,008,117
Profit and loss account	23	(53,886)	(106,474)
SHAREHOLDERS' FUNDS		<u>1,689,741</u>	<u>1,637,153</u>

These financial statements were approved by the directors on the 12/11/96 and are signed on their behalf by:


R.A. Mortimer
Director

The notes on pages 12 to 24 form part of these financial statements.

Watts Gregory & Daniel

MAYER COHEN INDUSTRIES LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 1995

	1995 £	1994 £
Net cash inflow from operating activities	131,063	399,959
Returns on investments and servicing of finance		
Income from other fixed asset investments	4,617	-
Interest paid	(97,935)	(99,902)
Interest element of hire purchase payments	(11,031)	(3,645)
Net cash outflow from returns on investments and servicing of finance	(104,349)	(103,547)
Taxation		
Corporation tax	(925)	-
Investing activities		
Payments to acquire tangible fixed assets	(191,630)	(110,496)
Receipts from sale of fixed assets	40,000	449
Payments to acquire investments	(19,000)	-
Net cash outflow from investing activities	(170,630)	(110,047)
Net cash (outflow)/inflow before financing	(144,841)	186,365
Financing		
Net outflow from long-term bank loans	(116,129)	(140,873)
Net inflow in respect of hire purchase agreements	70,982	21,503
Net cash inflow/(outflow) from financing	(45,147)	(119,370)
(Decrease)/Increase in cash and cash equivalents	(189,988)	66,995

The notes on pages 12 to 23 form part of these financial statements.

Watts Gregory & Daniel

MAYER COHEN INDUSTRIES LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 1995

Reconciliation of operating profit to net cash inflow from operating activities

	1995 £	1994 £
Operating profit	173,055	567,083
Depreciation	155,003	143,866
(Profit)/Loss on disposal of fixed assets	(29,491)	5,027
Increase in stocks	(240,648)	(32,197)
Decrease/(Increase) in debtors	45,542	(434,349)
(Decrease)/Increase in creditors	27,602	150,529
Net cash inflow from operating activities	131,063	399,959

Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1995 £	1994 £	Change £
Cash at bank and in hand	3,258	2,218	1,040
Bank overdraft	(567,527)	(376,499)	(191,028)
	(564,269)	(374,281)	(189,988)

Analysis of changes in cash and cash equivalents during the year

	£
Balance brought forward	(374,281)
Net cash outflow	(189,988)
Balance carried forward	(564,269)

Analysis of changes in financing in the year

	Loans £	Hire Purchase £	Total £
Balance at 1.1.95	703,405	30,832	734,237
Advanced	-	133,275	133,275
Repaid	(116,129)	(62,293)	(178,422)
Balance at 31.12.95	587,276	101,814	689,090

The notes on pages 12 to 23 form part of these financial statements.

Watts Gregory & Daniel

MAYER COHEN INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Turnover

Turnover consists of amounts invoiced during the year net of value added tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and machinery	3 to 10 years
Motor vehicles	3 to 4 years

No depreciation has been provided on the freehold property as in the opinion of the directors, its open market value is not less than its valuation in the financial statements.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Work in progress

Work in progress and finished goods are stated at the lower of cost and net realisable value. Cost includes attributable production overheads based on normal activity levels.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

MAYER COHEN INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Research and development

Research and development expenditure is written off when incurred.

Development grants

Development grants are credited to profit and loss account at the rates at which the related assets are depreciated.

Discretionary government grants are accounted for only when received.

Grants received prior to the revision of SSAP 4 in July 1990 were netted against the original cost of the related assets.

MAYER COHEN INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	1995 £	1994 £
United Kingdom	1,728,952	2,560,687
Overseas	1,510,040	1,093,364
	<u>3,238,992</u>	<u>3,654,051</u>

3. OTHER OPERATING INCOME

	1995 £	1994 £
Rent receivable	<u>23,460</u>	<u>28,407</u>

4. OPERATING PROFIT

Operating profit is stated after charging:

	1995 £	1994 £
Depreciation	155,003	143,866
(Profit)/Loss on disposal of fixed assets	(29,491)	5,027
Auditors' remuneration - as auditors	6,000	6,000
- for other services	1,800	1,020
Operating lease costs:		
Plant and equipment	<u>29,762</u>	<u>27,680</u>

Auditors' fees

The fees charged by the auditors can be further analysed under the following headings for services rendered:

	1995 £	1994 £
Audit	6,000	6,000
Taxation	1,800	1,020
	<u>7,800</u>	<u>7,020</u>

MAYER COHEN INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	1995 No.	1994 No.
Factory	138	158
Office and management	20	21
	<u>158</u>	<u>179</u>

The aggregate payroll costs of the above were:

	1995 £	1994 £
Wages and salaries	1,526,142	1,609,662
Social security costs	111,408	123,919
Other pension costs	54,075	43,113
	<u>1,691,625</u>	<u>1,776,694</u>

6. DIRECTORS' EMOLUMENTS

The directors' emoluments, including pension contributions, were:

	1995 £	1994 £
Remuneration as directors	129,404	122,640
Pension contributions	28,273	23,869
	<u>157,677</u>	<u>146,509</u>

Emoluments excluding pension contributions:

	1995 £	1994 £
Chairman	-	-
Highest paid director	<u>43,017</u>	<u>39,600</u>

MAYER COHEN INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

6. DIRECTORS' EMOLUMENTS *(continued)*

The number of directors, including the above, whose emoluments, excluding pension contributions, fell within the following ranges, were:

	1995 No.	1994 No.
£0 to £5,000	4	4
£20,001 to £25,000	-	1
£25,001 to £30,000	2	2
£30,001 to £35,000	1	-
£35,001 to £40,000	-	1
£40,001 to £45,000	1	-
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7. INCOME FROM OTHER FIXED ASSET INVESTMENTS

	1995 £	1994 £
Investment Income	4,617	-
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8. INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £	1994 £
Interest payable on bank borrowing	97,935	99,902
Hire purchase interest	11,031	3,645
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	108,966	103,547
	<hr/>	<hr/>

MAYER COHEN INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

9. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1995 £	1994 £
Corporation tax based on the results for the year at 25% (1994 - 25%)	-	-
Tax on franked investment income	923	-
Increase in deferred tax provision - see note 17:		
Capital allowances	(407)	(6,002)
Losses	20,371	24,031
Other	(4,769)	1,776
	<u>16,118</u>	<u>19,805</u>

10. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant and Equipment £	Motor Vehicles £	Total £
COST OR VALUATION				
At 1 January 1995	1,500,000	952,674	33,942	2,486,616
Additions	-	191,630	-	191,630
Disposals	-	(134,113)	-	(134,113)
At 31 December 1995	<u>1,500,000</u>	<u>1,010,191</u>	<u>33,942</u>	<u>2,544,133</u>
DEPRECIATION				
At 1 January 1995	-	620,696	33,689	654,385
Charge for year	-	154,750	253	155,003
On disposals	-	(123,606)	-	(123,606)
At 31 December 1995	<u>-</u>	<u>651,840</u>	<u>33,942</u>	<u>685,782</u>
NET BOOK VALUE				
At 31 December 1995	<u>1,500,000</u>	<u>358,351</u>	<u>-</u>	<u>1,858,351</u>
At 31 December 1994	<u>1,500,000</u>	<u>331,978</u>	<u>253</u>	<u>1,832,231</u>

Revaluation of fixed assets

The freehold property was revalued by professional valuers on the 11 May 1995 at £1,500,000. The revalued sum has been included above.

MAYER COHEN INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

10. TANGIBLE FIXED ASSETS *(continued)*

Hire purchase and finance lease agreements

Included within the net book value £1,858,351 is £121,304 (1994 - £31,850) relating to assets held under hire purchase agreements, and £Nil (1994 - £Nil) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £34,816 (1994 - £19,834), and £Nil (1994 - £Nil) in respect of assets held under finance lease agreements.

Capital commitments

	1995 £	1994 £
Contracted but not provided for in the accounts	-	45,365

11. INVESTMENTS

**Participating
Interests**

	£
COST	
At 1 January 1995	328,167
Additions	19,000
At 31 December 1995	<u>347,167</u>
 NET BOOK VALUE	
At 31 December 1995	<u>347,167</u>
At 31 December 1994	<u>328,167</u>

The investments comprise:

- a) 49,250 Ordinary shares in A.Cohen & Co. Plc. at a cost of £328,167.
The shares are listed on a recognised stock exchange. The market value at 31.12.95 was £317,663 (31.12.94 - £262,502).
- b) 50% of the Ordinary share capital of Anglo Telecom Limited, a company registered in the Republic of Latvia. The aggregate of the company's share capital and reserves at 31 December 1995 is £8,627 and its loss for the year then ended is £14,221. The investment cost £19000.
- c) 33% of the Ordinary share capital of Gasol Goldfields (PTY) Ltd (BD&H Telecom), a company registered in South Africa. The aggregate of the company's share capital and reserves at 31 December 1995 is £(5,930) and its loss for the period then ended is £5,951.

MAYER COHEN INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

12. STOCKS

	1995 £	1994 £
Raw materials	351,623	153,703
Work in progress	4,730	25,326
Finished goods	170,961	107,637
	<u>527,314</u>	<u>286,666</u>

13. DEBTORS

	1995 £	1994 £
Trade debtors	442,411	644,526
Amounts owed by undertakings in which the company has a participating interest	269,079	-
Other debtors	12,463	149,637
Prepayments and accrued income	58,972	34,304
	<u>782,925</u>	<u>828,467</u>

All debtors are repayable within one year of the balance sheet date.

14. CREDITORS: Amounts falling due within one year

	1995 £	1994 £
Bank loans and overdrafts	677,577	534,691
Trade creditors	252,277	204,644
Other creditors including taxation and social security:		
Taxation and social security	56,595	147,499
HP and finance leases	53,449	15,728
Pension creditor	13,324	10,000
Other creditors	27,158	29,196
	<u>150,526</u>	<u>202,423</u>
Accruals and deferred income	188,304	118,717
	<u>1,268,684</u>	<u>1,060,475</u>

MAYER COHEN INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

14. CREDITORS: Amounts falling due within one year *(continued)*

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1995 £	1994 £
Bank loans and overdrafts	<u>677,577</u>	<u>534,691</u>

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.

15. CREDITORS: Amounts falling due after more than one year

	1995 £	1994 £
Bank loans and overdrafts	477,226	545,212
Other creditors:		
HP and finance leases	48,365	15,104
	<u>525,591</u>	<u>560,316</u>

Repayment terms:-

- a) Bank mortgage loan £420,026 (1994 £445,345) repayable by monthly instalments, subject to review. Interest rate 3% over bank base rate.
- b) Bank loan re share purchase £136,000 (1994 £184,000) repayable by monthly instalments at an interest rate of 3% over bank base rate.
- c) ECSC loan £31,250 (1994 £62,500) repayable over four years from December 1992 in half yearly instalments at 8.5% interest.

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	1995 £	1994 £
Bank loans and overdrafts	<u>477,226</u>	<u>545,212</u>

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.

MAYER COHEN INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

15. CREDITORS: Amounts falling due after more than one year *(continued)*

The following liabilities disclosed under creditors falling due after more than one year are repayable by instalments, some of which fall due for payment after more than five years from the balance sheet date:

	1995 £	1994 £
Bank loans and overdrafts	477,226	545,212

Of the liabilities repayable by instalments, the following are the aggregate amounts of the instalments falling due for repayment after more than five years from the balance sheet date:

	1995 £	1994 £
Bank loans and overdrafts	233,626	107,805

16. PENSIONS

The company contributes to two defined contribution pension schemes. Contributions are charged to profit and loss account in accordance with advice given from the insurance companies. Any debtor or creditor arising at the year end is shown separately within the appropriate notes to the financial statements.

MAYER COHEN INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

17. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	1995 £	1994 £
Provision brought forward	19,805	-
Increase in provision	15,195	19,805
	<u>35,000</u>	<u>19,805</u>
Provision carried forward		

The provision for deferred taxation consists of the tax effect of timing differences in respect of:-

	1995		1994	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	75,887	-	76,294	-
Tax losses available	(37,556)	-	(57,927)	-
Revaluation surplus	-	(250,000)	-	(250,000)
Other timing differences	(3,331)	-	1,438	-
	<u>35,000</u>	<u>(250,000)</u>	<u>19,805</u>	<u>(250,000)</u>

18. COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS

Future commitments under hire purchase and finance lease agreements are as follows:

	1995 £	1994 £
Amounts payable within 1 year	60,807	17,937
Amounts payable between 2 to 5 years	55,113	17,194
	<u>115,920</u>	<u>35,131</u>
Less interest and finance charges relating to future periods	(14,106)	(4,299)
	<u>101,814</u>	<u>30,832</u>

MAYER COHEN INDUSTRIES LIMITED
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19. COMMITMENTS UNDER OPERATING LEASES

At 31 December 1995 the company had annual commitments under non-cancellable operating leases as set out below.

	1995 Assets other than land and buildings £	1994 Assets other than land and buildings £
Operating leases which expire:		
Within 1 year	13,831	8,617
Within 2 to 5 years	40,572	26,342
	<u>54,403</u>	<u>34,959</u>

20. TRANSACTIONS WITH THE DIRECTORS

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

21. SHARE CAPITAL

Authorised share capital:

	1995 £	1994 £
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	1995 £	1994 £
Ordinary share capital	<u>735,510</u>	<u>735,510</u>

22. REVALUATION RESERVE

	1995 £	1994 £
Balance brought forward	1,008,117	1,508,117
Revaluation of fixed assets	-	(500,000)
Balance carried forward	<u>1,008,117</u>	<u>1,008,117</u>

MAYER COHEN INDUSTRIES LIMITED
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23. PROFIT AND LOSS ACCOUNT

	1995 £	1994 £
Balance brought forward	(106,474)	(550,205)
Retained profit for the financial year	52,588	443,731
	<hr/>	<hr/>
Balance carried forward	(53,886)	(106,474)
	<hr/>	<hr/>

24. POST BALANCE SHEET EVENTS

Investments

Since the year end the company has sold the holding of 49,250 Ordinary shares in A. Cohen & Co. Plc. The net proceeds from this sale were £267,302. A loss on disposal of £60,865 arose.

25. ULTIMATE HOLDING COMPANIES

The share capital of the company is owned equally by A. Cohen & Co. (Great Britain) Limited and Maynew Investments Limited. Both companies are registered in the U.K.