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MAYER COHEN INDUSTRIES LIMITED

DIRECTORS REPORT AND  
FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER, 1990.



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 year ended 31st December, 1990.

Results and dividend

The results for the year are set out on page 4. 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 results for the year are disappointing and reflect the disruption to the company's main contract coupled with the effects of the recession. The directors anticipate a significant improvement in 1991.

Share capital

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

Market value of land and buildings

The freehold property was professionally valued on 21st February, 1991 by independent valuers at £2,000,000. Accordingly the revalued amount is now shown in the balance sheet.

Fixed assets

Changes in the fixed assets during the year are set out on page 6.

Exports

The value of exports made in the year was £541,977 [1989 £480,303].

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 Maynew Investments 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]	]	Maynew Investments 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 are 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

A. B. Leck

Company Secretary

20th June, 1991

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

We have audited the financial statements on pages 4 to 13 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31st December, 1990 and of the loss and source and application of funds for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.

*Watts Gregory Daniel*

WATTS GREGORY & DANIEL

Chartered Accountants,

12, Museum Place,  
Cardiff.

20th June, 1991

MAYER COHEN INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st DECEMBER, 1990

1989

Turnover [Note 2]	2411219	3185548
Cost of sales	712020	1278125
	<hr/>	<hr/>
	1699199	1907423
Operating costs [Note 3]	2035943	1830795
	<hr/>	<hr/>
	[336744]	76628
Other operating income	26653	26649
	<hr/>	<hr/>
Operating [loss]/profit	[310091]	103277
Income from fixed asset investments	15169	13790
	<hr/>	<hr/>
	[294922]	117067
Interest payable and similar charges [Note 5]	227768	197012
	<hr/>	<hr/>
[Loss] on ordinary activities before taxation	[522690]	[79945]
Tax on [loss] on ordinary activities [Note 6]	[32021]	[16575]
	<hr/>	<hr/>
[Loss] on ordinary activities after taxation	[490669]	[63370]
Proposed dividend	-	-
	<hr/>	<hr/>
Retained [Loss] for year	[490669]	[63370]
Retained profit brought forward	9815	73185
	<hr/>	<hr/>
Accumulated [deficit]/retained profit carried forward	[£480854]	£9815
	<hr/>	<hr/>

The annexed notes form part of these accounts

# MAYER COHEN INDUSTRIES LIMITED

## BALANCE SHEET

AS AT 31st DECEMBER, 1990

1989

### FIXED ASSETS

Tangible assets - per schedule  
Investments [Note 7]

2528090	2214952
328166	328166
<hr/>	<hr/>
2856256	2543118
<hr/>	<hr/>

### CURRENT ASSETS

Stocks [Note 8]  
Debtors [Note 9]  
Cash at bank and in hand

350334	422109
333132	408826
2632	299
<hr/>	<hr/>
686098	831234

CREDITORS - amounts falling due  
within one year [Note 10]

1026826	963300
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NET CURRENT [LIABILITIES]

[340728]	[132066]
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TOTAL ASSETS LESS CURRENT LIABILITIES

2515528	2411052
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CREDITORS - amounts falling due  
after more than one year [Note 11]

1001305	1120868
<hr/>	<hr/>
1514223	1290184

PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation [Note 12]

-	[32021]
<hr/>	<hr/>
£1514223	£1258163

### CAPITAL AND RESERVES

Called up share capital [Note 13]  
Revaluation reserve [Note 14]  
Profit and loss account

486960	406960
1508117	841388
[480854]	9815
<hr/>	<hr/>
£1514223	£1258163

Director

The accounts were approved by the Board of Directors  
on the 20th June, 1991

The annexed notes form part of these accounts

## MAYER CONCRETE INDUSTRIES LIMITED

## SCHEDULE OF TANGIBLE FIXED ASSETS

	Freehold land and buildings	Plant machinery & equipment	Motor vehicles	Total
Cost or valuation				
At 31st December, 1989	1370438	1008605	68480	2447523
Additions during year		31723		31723
Disposals during year		[330958]		[330958]
Revaluation adjustment	629562			629562
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December, 1990	£2000000	£709370	£68480	£2777850
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 31st December, 1989	27876	182917	21778	232571
Provision for year	9291	117118	15070	141479
Provision re disposals		[87123]		[87123]
Revaluation adjustment	[37167]			[37167]
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December, 1990	Nil	£212912	£36848	£249760
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31st December, 1989	£1342562	£825688	£46702	£2214952
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December, 1990	£2000000	£496458	£31632	£2528090
	<hr/>	<hr/>	<hr/>	<hr/>

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

Cost	250000
S.F.A. grant	46162
	<hr/>
Net cost	£203838
	<hr/>

The freehold land and buildings were revalued by professional valuers on the 21st February, 1991 at £2,000,000. The revalued sum has been included above.

Included in the total net book value of tangible fixed assets held at 31st December, 1990 was £91,625 in respect of assets held under finance leases and hire purchase contracts.

MAYER COHEN INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31ST DECEMBER, 1990

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention modified by the revaluation of freehold property.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or revalued amount 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.

Deferred taxation has not been provided for in respect of the unrealised revaluation surplus.

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, 1989

1989

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	1179113	1104133
Depreciation	141529	130289
Auditors remuneration	5640	5000
Equipment hire	11824	10861
Other operating costs	632001	580512
Loss on fixed asset disposals	65836	-
	<hr/>	<hr/>
	£2035943	£1830795
	<hr/>	<hr/>

4. Staff costs

Wages and salaries	1068741	993075
Social security costs	89544	70700
Other pension costs	20828	40358
	<hr/>	<hr/>
	£1179113	£1104133
	<hr/>	<hr/>

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

Factory	150	144
Office and management	16	14
	<hr/>	<hr/>
	166	158
	<hr/>	<hr/>

Directors remuneration (included in staff costs) comprised the following -

Salary and bonus	38104	34105
Pension contribution	322	2387
	<hr/>	<hr/>
	£38426	£36492
	<hr/>	<hr/>

MAYER COHEN INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS [CONTINUED]

YEAR ENDED 31ST DECEMBER, 1990

1989

5. Interest payable and similar charges

On bank loans, overdrafts and other loans wholly repayable within five years	215261	384641
Finance leases and hire purchase	12507	12875
Inland Revenue repayment supplement	-	[504]
	<hr/>	<hr/>
	£227768	£197012
	<hr/>	<hr/>

6. Tax on [loss] on ordinary activities

The taxation charge is made up as follows -

Corporation tax - consortium relief	-	[20856]
Deferred tax	[32021]	[6902]
Previous overprovision	-	[2621]
	<hr/>	<hr/>
	[£32021]	[£16575]
	<hr/>	<hr/>

Tax losses carried forward at the year end amounted to £645,986.

7. Investments

49250 Ordinary shares of 20p each in A. Cohen & Co. PLC		
At cost	£328166	£328166
	<hr/>	<hr/>

The shares are listed and are dealt on a recognised stock exchange. The market value at 13th May, 1991 was £261,025 [31/12/89 £455,562]

MAYER COHEN INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31ST DECEMBER, 1990

1989

8. Stocks

Raw materials and consumables	64747	35273
Work in progress	22987	283107
Finished goods	262600	103729
	<hr/>	<hr/>
	£350334	£422109
	<hr/>	<hr/>

9. Debtors

Trade debtors	315459	351803
Prepayments and accrued income	3624	20499
Other debtors	6809	12221
Corporation tax refund due	7240	24303
	<hr/>	<hr/>
Total - due within one year	£333132	£408826
	<hr/>	<hr/>

10. Creditors - amounts falling due within one year

Bank overdraft	516430	268903
Trade creditors	250282	411630
Accruals	88033	34744
Other taxes and social security costs	33052	95810
Other creditors	76166	82213
Loans due within one year	62863	70000
	<hr/>	<hr/>
	£1026826	£963300
	<hr/>	<hr/>

# MAYER COHEN INDUSTRIES LIMITED

## NOTES TO THE ACCOUNTS [CONTINUED]

YEAR ENDED 31ST DECEMBER, 1990

1989

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

Bank mortgage loan	[a]	460000	460000
Bank loan	[b]	300000	300000
Loan - British Coal Enterprise	[c]	50000	75000
Bank loan - E.C.S.C.	[d]	125000	125000
Bank loan - re plant	[e]	-	36486
Amounts due to shareholder companies		55000	80000
Hire purchase creditors		11305	44382
		<hr/>	<hr/>
		£1001305	£1120868
		<hr/>	<hr/>

- a) Repayments to be reviewed by the bankers in June, 1991. Interest rate 11.125% to November, 1990 then 1.5% over bank base rate.
- b) Repayments to be reviewed by the bankers in June, 1991. Interest 2% over bank base rate.
- c) Repayable over 4 years from January, 1990. Interest 7.5% year 1, 8.5% year 2, 11% thereafter. Secured by guarantees from the shareholder companies.
- d) Repayable over 4 years from December, 1992. Interest rate 6.5%
- e) Repayable over 4 years from July, 1988. Interest rate 1% over bank base rate.

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

### 12. Deferred taxation

Deferred tax is provided on the following timing differences -

Accelerated capital allowances	59203	79853
Short term items	[96]	[221]
Tax losses carried forward	[59107]	[47611]
	<hr/>	<hr/>
	Nil	£32021
	<hr/>	<hr/>

MAYER COHEN INDUSTRIES LIMITED

NOTES TO THE ACCOUNTS [CONTINUED]

YEAR ENDED 31ST DECEMBER, 1990

1989

13. Share capital

Ordinary shares of £1 each	£600000	£600000
Authorised		
Issued and fully paid	£486960	£406960

Amounts due to shareholder companies at 31st December, 1989 of £80,000 were converted to share capital in 1990.

Further share capital is to be raised in 1991 from the shareholder companies amounting to £198,550.

14. Revaluation reserve

Balance brought forward	841388	841388
Surplus arising on revaluation of freehold land and buildings	666729	-
	<hr/>	<hr/>
	£1508117	£841388
	<hr/>	<hr/>

15. Capital commitments

Contracted	Nil	Nil
Authorised but not contracted	Nil	Nil

16. Contingent liabilities

There were no contingent liabilities at the year end.

17. 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, 1990

1989

SOURCE OF FUNDS

[Loss] on ordinary activities before taxation	[522690]	79945]
Adjustments for items not involving the flow of funds -		
Depreciation and loss/[profit] on sale	207315	129900

FUNDS GENERATED FROM OPERATIONS

[315375] 49955

OTHER SOURCES

S.F.A. grant [Regional Selective Assistance]	-	60000
Share capital	80000	64000
Increase amounts due to shareholder companies	-	80000
Hire purchase/lease finance	-	29600
Corporation tax refund	20856	26346
Sale proceeds of fixed assets	178000	1150

[36519] 311051

APPLICATION OF FUNDS

Purchase fixed assets	31723	156902
Hire purchase repayments [capital]	49563	49646
Repayment short term loan	-	60000
Decrease amounts due to shareholder companies	25000	-
Loan repayments [capital]	68625	38472
Tax credit on dividends received	3792	3447

178703 308467

INCREASE/[DECREASE] IN WORKING CAPITAL

[£215222] £2584

MOVEMENT IN WORKING CAPITAL ITEMS

[Decrease]/increase in stocks	[71775]	[218289]
[Decrease]/increase in debtors [excl. corporation tax]	[58631]	87627
Decrease/[increase] in creditors [excl. corporation tax, loans and hire purchase creditor]	160378	232158

Movement in net liquid funds:

Increase/[decrease] bank and cash balances	2333	[120]
[Increase] bank overdraft	[247527]	[98792]

[£215222] £2584