

**MAYER COHEN INDUSTRIES LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 1999**

**COMPANY NO. 322715**



**WATTS  
GREGORY**  
CHARTERED ACCOUNTANTS

# **MAYER COHEN INDUSTRIES LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 1999**

---

<b>CONTENTS</b>	<b>PAGES</b>
Officers and professional advisers	1
Chairman's statement	2
The directors' report	3 to 4
Auditors' report to the shareholders	5
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8
Notes to the financial statements	9 to 16
<b>The following pages do not form part of the financial statements</b>	
Detailed profit and loss account	18 to 19
Notes to the detailed profit and loss account	20 to 21

---

# **MAYER COHEN INDUSTRIES LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

---

**The board of directors**

J.B. Roberts  
R.A. Mortimer  
P.J. Roberts  
K.T. Kendal - Williams

**Company secretary**

P.J. Roberts

**Registered office**

Newtown Industrial Estate  
Crosskeys  
Newport  
Gwent  
NP1 7PZ

**Auditors**

Watts Gregory  
Chartered Accountants  
& Registered Auditors  
10/14 Museum Place  
CARDIFF  
CF10 3NZ

**Bankers**

National Westminster Bank PLC  
St James & Piccadilly W1 Branch  
PO Box 2 DG 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

YEAR ENDED 31 DECEMBER 1999

---

### MAYER COHEN INDUSTRIES

By the end of the year, installation of racking in the main building was complete and our new core business as Storage and Logistics specialists was fully operational. It is pleasing to report that the business as a whole has returned to profit.

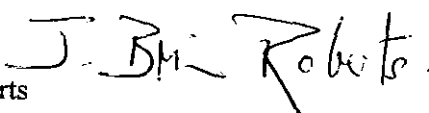
### MCI LOGISTICS

Our warehousing and distribution operations now service a broad customer base, providing a wide range of activities from simple storage to complex home distribution arrangements. Since the year end we have invested further in the business with the construction of a new 20,000 sq.ft. (1,860 sq.m.) stand alone warehouse on our Crosskeys site. This new facility has a higher eaves height than our current building and will provide the opportunity to increase storage densities, as well as dedicated storage for our larger customers.

Also planned for 2000 is a significant investment in Information Technology with the replacement of our Warehouse Control System. The new system will reduce administration costs while providing significantly better management information for staff and customers than at present.

### TELEPHONE BUSINESS

Once the majority of our business was associated with this activity but it continues to wind down. It is expected that it will again provide a positive cash flow during the coming year. It is hoped that the operation will be closed and completed by the end of the year.

  
J.B. Roberts  
Chairman

Dated: 18 May 2000

# MAYER COHEN INDUSTRIES LIMITED

## THE DIRECTORS' REPORT

### YEAR ENDED 31 DECEMBER 1999

---

The directors present their report and the financial statements of the company for the year ended 31 December 1999.

#### PRINCIPAL ACTIVITIES

The principal activity of the company is that of providing storage and logistics facilities.

#### 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 December 1999	At 1 January 1999
J.B. Roberts	69,873	69,873
R.A. Mortimer	-	-
P.J. Roberts	-	-
K.T. Kendal - Williams	-	-

The directors interests in the share capital of the parent company will be shown in the accounts of that company.

#### 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 pages 9 to 10, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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.

#### AUDITORS

A resolution to re-appoint Watts Gregory 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)*

YEAR ENDED 31 DECEMBER 1999

---

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
Newtown Industrial Estate  
Crosskeys  
Newport  
Gwent  
NP1 7PZ

Signed by order of the directors



P.J. ROBERTS  
Company Secretary

Approved by the directors on 28 MAY 2000

# **MAYER COHEN INDUSTRIES LIMITED**

## **AUDITORS' REPORT TO THE SHAREHOLDERS**

**YEAR ENDED 31 DECEMBER 1999**

---

We have audited the financial statements on pages 6 to 16 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999), under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 9 to 10.

### **RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

As described on page 3, the company's directors 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 company's circumstances, 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 the company's affairs as at 31 December 1999 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

*Watts Gregory*

10/14 Museum Place  
CARDIFF  
CF10 3NZ

WATTS GREGORY  
Chartered Accountants  
& Registered Auditors

*30 May 2000*

**MAYER COHEN INDUSTRIES LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 1999**

---

	Note	1999 £	1998 £
<b>TURNOVER</b>	<b>2</b>	1,346,561	886,783
Cost of sales		(498,371)	(362,452)
<b>GROSS PROFIT</b>		<u>848,190</u>	<u>524,331</u>
Distribution Costs		(9,097)	(9,623)
Administrative expenses		(525,687)	(782,606)
Other operating income	<b>3</b>	-	4,563
<b>OPERATING PROFIT/(LOSS)</b>	<b>4</b>	<u>313,406</u>	<u>(263,335)</u>
Amounts written off investments	<b>6</b>	-	(19,000)
Interest payable		(28,650)	(35,500)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>284,756</u>	<u>(317,835)</u>
Tax on profit/(loss) on ordinary activities	<b>7</b>	(45,000)	-
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>239,756</u>	<u>(317,835)</u>

---

The notes on pages 9 to 16 form part of these financial statements.

---



# MAYER COHEN INDUSTRIES LIMITED

YEAR ENDED 31 DECEMBER 1999

---

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1999 £	1998 £
Profit/(Loss) for the financial year attributable to the shareholders	239,756	(317,835)
Unrealised profit on revaluation of properties	610,000	-
Total gains and losses recognised since the last annual report	<u>849,756</u>	<u>(317,835)</u>

The notes on pages 9 to 16 form part of these financial statements.

---

# MAYER COHEN INDUSTRIES LIMITED

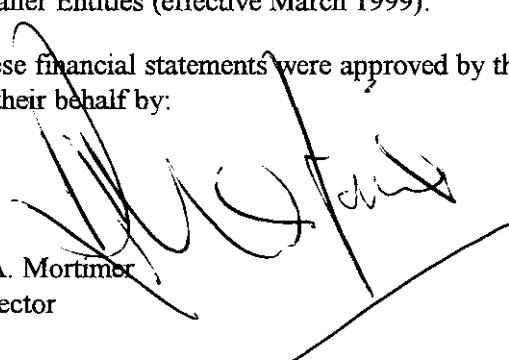
## BALANCE SHEET

31 DECEMBER 1999

	Note	1999 £	1998 £
<b>FIXED ASSETS</b>			
Tangible assets	8	2,382,452	1,671,653
<b>CURRENT ASSETS</b>			
Debtors	9	424,238	227,900
Cash at bank and in hand		578	279
		<u>424,816</u>	<u>228,179</u>
<b>CREDITORS: Amounts falling due within one year</b>	10	(588,883)	(531,203)
<b>NET CURRENT LIABILITIES</b>		<u>(164,067)</u>	<u>(303,024)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,218,385	1,368,629
<b>CREDITORS: Amounts falling due after more than one year</b>	11	(1,340,000)	(1,340,000)
		<u>878,385</u>	<u>28,629</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	16	735,510	735,510
Revaluation reserve	17	1,618,117	1,008,117
Profit and loss account	18	(1,475,242)	(1,714,998)
<b>SHAREHOLDERS' FUNDS</b>		<u>878,385</u>	<u>28,629</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

These financial statements were approved by the directors on the 18 May 2000, and are signed on their behalf by:

  
R.A. Mortimer  
Director

The notes on pages 9 to 16 form part of these financial statements.

# **MAYER COHEN INDUSTRIES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 1999**

---

### **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 the Financial Reporting Standard for Smaller Entities (effective March 1999).

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive 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

The property is fully maintained to prevent its deterioration. In the opinion of the directors, the residual value is not less than the valuation in the financial statements. Accordingly no depreciation has been provided for the year.

#### **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 on a straight line basis.

#### **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 on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

#### **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 on a straight line basis over the period of the lease.

# MAYER COHEN INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1999

---

### 1. ACCOUNTING POLICIES *(continued)*

#### 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 rates 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.

### 2. TURNOVER

Overseas turnover amounted to 3.01% (1998 - 7.61%) of the total turnover for the year.

### 3. OTHER OPERATING INCOME

	1999	1998
	£	£
Rent receivable	-	4,563

### 4. OPERATING PROFIT/LOSS

Operating profit/loss is stated after charging/(crediting):

	1999	1998
	£	£
Staff pension contributions	38,284	(673)
Depreciation	56,413	16,426
(Profit)/Loss on disposal of fixed assets	(3,500)	30,356
Auditors' fees	5,000	5,000
Redundancy costs	5,491	-

# MAYER COHEN INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1999

---

### 4. OPERATING LOSS *(continued)*

Included within operating profit/loss for discontinued operations are the following exceptional items :

	1999	1998
Exceptional bad debts written off	£(72,439)	£377,292

Full provision has now been made in respect of all doubtful debts relating to discontinued operations.

### 5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	1999	1998
	£	£
Aggregate emoluments	75,431	66,984
Value of company pension contributions to money purchase schemes	8,207	7,945
	<u>83,638</u>	<u>74,929</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	1999	1998
	No.	No.
Money purchase schemes	<u>2</u>	<u>2</u>

### 6. AMOUNTS WRITTEN OFF INVESTMENTS

	1999	1998
	£	£
Loss on disposal of fixed asset investment	<u>-</u>	<u>19,000</u>

### 7. TAX ON PROFIT OR LOSS ON ORDINARY ACTIVITIES

	1999	1998
	£	£
Corporation tax based on the results for the year at 30% (1998 - 21%)	<u>45,000</u>	<u>-</u>

# MAYER COHEN INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1999

### 8. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Motor Vehicles £	Total £
<b>COST OR VALUATION</b>				
At 1 January 1999	1,500,000	213,493	9,000	1,722,493
Additions	13,948	132,914	10,350	157,212
Revaluation	610,000	-	-	610,000
<b>At 31 December 1999</b>	<u>2,123,948</u>	<u>346,407</u>	<u>19,350</u>	<u>2,489,705</u>
<b>DEPRECIATION</b>				
At 1 January 1999	-	48,340	2,500	50,840
Charge for the year	-	50,252	6,161	56,413
<b>At 31 December 1999</b>	<u>-</u>	<u>98,592</u>	<u>8,661</u>	<u>107,253</u>
<b>NET BOOK VALUE</b>				
<b>At 31 December 1999</b>	<u>2,123,948</u>	<u>247,815</u>	<u>10,689</u>	<u>2,382,452</u>
At 31 December 1998	<u>1,500,000</u>	<u>165,153</u>	<u>6,500</u>	<u>1,671,653</u>

#### Revaluation of fixed assets

The freehold property was revalued on the open market value basis by E.J.Hales, Chartered Surveyors on the 11 April 2000 at £2,450,000. This value includes post year end expenditure of £326,052. The revalued sum has been included above. The revaluation surplus of £610,000 has been transferred to the Revaluation Reserve.

#### Post balance sheet event - capital spend

Subsequent to the year end the company have completed the construction of a further warehouse at an estimated cost of £440,000 including related equipment.

#### Hire purchase and finance lease agreements

Included within the net book value of £2,382,452 is £Nil (1998 - £Nil) relating to assets held under hire purchase agreements, and £Nil (1998 - £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 £Nil (1998 - £Nil), and £Nil (1998 - £Nil) in respect of assets held under finance lease agreements.

# MAYER COHEN INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1999

### 9. DEBTORS

	1999	1998
	£	£
Trade debtors	396,076	205,334
Amounts owed by group undertakings	1,573	-
Other debtors	4,991	2,120
Prepayments and accrued income	21,598	20,446
	<u>424,238</u>	<u>227,900</u>

### 10. CREDITORS: Amounts falling due within one year

	1999	1998
	£	£
Bank loans and overdrafts	330,207	440,208
Trade creditors	97,932	40,386
Other creditors comprise:		
Corporation tax	45,000	-
PAYE and social security	17,248	9,065
VAT	54,859	19,630
Pension creditor	1,556	1,179
Other creditors	5,689	1,271
	<u>552,491</u>	<u>511,739</u>
Accruals and deferred income	36,392	19,464
	<u>588,883</u>	<u>531,203</u>

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

	1999	1998
	£	£
Bank loans and overdrafts	<u>330,207</u>	<u>440,208</u>

### 11. CREDITORS: Amounts falling due after more than one year

	1999	1998
	£	£
Amounts owed to group undertakings	824,000	824,000
Other creditors comprise:		
Directors' loan accounts	516,000	516,000
	<u>1,340,000</u>	<u>1,340,000</u>

The above loans are unsecured and carry no fixed terms of repayment.

# MAYER COHEN INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1999

---

### 12. DEFERRED TAXATION

No provision has been made in the accounts and the amounts unprovided at the end of the year are as follows:

	1999	1998
	£	£
Excess of taxation allowances over depreciation on fixed assets	97,490	56,316
Revaluation surplus	485,435	211,705
Other timing differences	(466)	(248)
	<u>582,459</u>	<u>267,773</u>

### 13. COMMITMENTS UNDER OPERATING LEASES

At 31 December 1999 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	1999	1998
	£	£
Operating leases which expire:		
Within 1 year	2,900	-
Within 2 to 5 years	16,717	26,255
	<u>19,617</u>	<u>26,255</u>

### 14. 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.



# MAYER COHEN INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1999

### 15. RELATED PARTY TRANSACTIONS

Throughout the year the company was under the control of Maynew Investments Limited.

Maynew Investments Limited is under the ultimate control of Mr. J.B. Roberts.

The company's related parties at 31 December 1999, with whom the company has either entered into transactions or has balances with, which require disclosure under FRS8 are as follows:

Name	Nature of relationship
Maynew Investments Ltd	Parent company
Anglo Telecom SIA	Subsidiary company

During the year the company transacted with related parties as follows:

Related party	Nature of transaction	1999	1998
Anglo Telecom SIA	Telephone sales	-	(26,600)
	Bad debt provision	£(18,455)	284,105
	Other	£(1,573)	-

The following balances, included within Debtors and Creditors, are due (to)/from the company's related parties as at 31 December.

Name	1999	1998
Maynew Investments Ltd	(824,000)	(824,000)
J.B. Roberts	(516,000)	(516,000)
Anglo Telecom	1,573	-

### 16. SHARE CAPITAL

Authorised share capital:

	1999	1998
	£	£
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	1999	1998
	£	£
Ordinary share capital	<u>735,510</u>	<u>735,510</u>

# MAYER COHEN INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1999

---

### 17. REVALUATION RESERVE

	1999	1998
	£	£
Balance brought forward	1,008,117	1,008,117
Revaluation of fixed assets	610,000	-
	<u>1,618,117</u>	<u>1,008,117</u>

### 18. PROFIT AND LOSS ACCOUNT

	1999	1998
	£	£
Balance brought forward	(1,714,998)	(1,397,163)
Retained profit/(loss) for the financial year	239,756	(317,835)
Balance carried forward	<u>(1,475,242)</u>	<u>(1,714,998)</u>

### 19. ULTIMATE PARENT COMPANY

The share capital of the company is controlled by Maynew Investments Limited, a company registered in the U.K. At 31 December 1999 it owned 90.5% of the company's ordinary share capital.