Touche Ross

Deloitte Touche Tohmatsu International

Company Registration No. 00113845

A. COHEN & CO. PLC

Report and Financial Statements

31 December 1994

A22 *A8JHGD7I* 68
COMPANIES HOUSE 19/07/95

Touche Ross & Co.
Hill House
1 Little New Street
London EC4A 3TR

Touche Ross
Deloitte Touche Tohmatsu International

A. COHEN & CO. PLC

REPORT AND FINANCIAL STATEMENTS 1994

CONTENTS

CONTENTS	Page
Officers and professional advisers	1
Chairman's statement	2
Directors' report	5
Corporate governance	9
Statement of directors' responsibilities	10
Auditors' report	11
Consolidated profit and loss account	12
Consolidated balance sheet	13
Balance sheet	14
Consolidated cash flow statement	15
Statement of total recognised gains and losses	16
Reconciliation of movements in shareholders' funds	16
Note of historical cost profits and losses	16
Notes to the accounts	17
Notice of meeting	29

Touche Ross
Deloitte Touche Tohmatsu International

REPORT AND FINANCIAL STATEMENTS 1994

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C.A. Cohen, MSc	*Chairman*
M.A. Pylkkanen (Finnish)	}*Joint Managing Directors*
R.O. Cohen, BA	}
P.C. Freburg (Australian)	
I. H. Burns, BA, ACA	(appointed 20 July 1994)
B.R. Weatherill, BA	(*Non-executive)*

SECRETARY

D.A. Fitzhugh, FCA, FCCA

REGISTERED OFFICE AND HEAD OFFICE

Clareville House
25/27 Oxendon Street
London
SW1Y 4EL

BANKERS

National Westminster Bank PLC
Merita Bank Limited (formerly Union Bank of Finland)

SOLICITORS

Hobson Audley

STOCKBROKERS

ABN Amro Hoare Govett Ltd.

FINANCIAL ADVISERS

Morgan Grenfell & Co. Ltd.

REGISTRARS AND TRANSFER OFFICE

The Royal Bank of Scotland plc
Registrars Dept.
Caxton House
Redcliffe Way
Bristol
BS79 7NH

AUDITORS

Touche Ross & Co.
Chartered Accountants

REPORT AND FINANCIAL STATEMENTS 1994

CHAIRMAN'S STATEMENT

GENERAL REVIEW

I am very pleased to be able to report that in 1994 the group has returned to significant profitability. Following a loss before tax of £522,000 in 1993, pre-tax profits of £1,767,000 were achieved during 1994 and the attributable after-tax profit was £1,018,000 (1993: £987,000 loss). Earnings per share were 63.0p (1993: 61.1p loss).

During 1994 both copper and aluminium prices surged ahead. The average copper price in 1994 was 21% higher than in 1993 and by the end of 1994 was 75% higher than at the start of the year. For aluminium the increase was even more dramatic. The average 1994 price was 29% higher than in 1993 and the price at the start of 1994 had doubled by the end of the year. Production cutbacks in the primary sector were followed by a 10% increase in demand which resulted in a deficit in the western world which was met by exports from the CIS and by LME stock reductions.

Overall group turnover was only slightly higher at £79m (1993: £78m). The group's manufacturing turnover increased by 10% but this was largely offset by a reduction in UK trading turnover as a result of a change in strategy announced earlier in the year.

A saving in interest cost resulting from the reduction in interest rates during the year was largely matched by an increase in working capital costs arising from the higher metal prices.

The group benefited from a 5% strengthening of the Australian dollar against sterling, but this was offset to a lesser degree by falls in the value of the Zimbabwean dollar and the South African Rand.

UK OPERATIONS

Woolwich Foundry

Woolwich, our UK copper-base ingot production unit, had a much more successful year than last, doubling its contribution to profit. This was mainly due to increased utilisation of capacity enabling advantage to be taken of the improved market. Exports accounted for 65% of total sales.

Capital investment during the year was targeted mainly at enhancing existing processes and at compliance with impending Integrated Pollution Control requirements. Although expenditure on pollution control may not lead directly to increased profitability, we see it as desirable and possibly giving us a competitive edge once regulations are uniformly enforced.

Glasgow Foundry

Glasgow foundry, which produces secondary aluminium alloy ingots, was able to take full advantage of the dramatic improvement in the aluminium market and recorded an excellent profit. Plans for an increase in capacity are being implemented this year. These have been structured in a way that ensures that we will not be left with an extra overhead burden should demand fall in the future.

REPORT AND FINANCIAL STATEMENTS 1994

CHAIRMAN'S STATEMENT

Depots

With generally improved trading conditions all our depots were profitable during the year. Law depot recorded the highest proft, but Manchester achieved the biggest turnaround from the previous year.

Jacob Metals

The replacement of its senior management and revision of its trading strategy to concentrate on lower volume, higher margin business, whilst at the same time cutting costs, has succeeded in restoring Jacob Metals to profitability after last year's very substantial loss. This profit was achieved on a turnover £7m lower than last year.

Mayer Cohen Industries (MCI)

MCI made a record profit in 1994. This was achieved partly by improvements in its main activity (which is the contractual disposal of redundant electrical and telecom equipment) and partly by substantial sales of accumulated stocks.

Since the year end, there have been significant changes in the company's main contract, the effects of which cannot yet be fully evaluated but are likely to be adverse. There are, however, more opportunities to sell refurbished units and to diversify the business. This is expected to bring benefits in the longer term.

Comexim International

Expectations for this company were not met and a very small loss was sustained. Further changes have been made which I believe will restore profitability.

OVERSEAS OPERATIONS

Nonferral, Australia

Nonferral is the group's wholly-owned Australian subsidiary with major manufacturing plants in Melbourne (secondary aluminium ingots and copper alloy ingots) and in Sydney (secondary aluminium ingots and deoxidants). There are also five branches spread around Australia.

Nonferral recovered substantially to report a pre-tax profit 80% higher than for the previous year. The improvement was mainly dependent on the increasingly buoyant aluminium market, although initially there was a squeeze on margins. The copper-base operations in Melbourne also made a valuable contribution.

The branches in Queensland, South Australia and Western Australia all had good results as did the silver recovery operation, Silec.

Metal Sales, Zimbabwe

There was a strong recovery at Metal Sales with profit in sterling terms more than doubling compared with the previous year, despite a 23% fall in the value of the Zimbabwean dollar against sterling.

The recently acquired brass foundry, Crown Brass, made a significant contribution to profit even after meeting relocation costs.

Touche Ross
Deloitte Touche Tohmatsu International

REPORT AND FINANCIAL STATEMENTS 1994

CHAIRMAN'S STATEMENT

Speedmark, South Africa

This company made a reasonable profit in 1994 and our 25% shareholding, acquired in 1993, made a small contribution to group profits.

Dividend

The Directors have found it difficult to determine an equitable balance between the justifiable expectations of shareholders for a resumption of dividend payments, following the greatly improved results, and the group's clear financial priority to rebuild resources. These have not only been depleted in the years of recession but have also had to accommodate greatly increased working capital requirements caused by the large increases in metal prices.

After very careful consideration the Board decided a maximum amount which it felt it could responsibly recommend to be applied to the payment of a final dividend. This equates to 7.5p per share (1993 - nil). Since no interim dividend was paid, the total for the year is also 7.5p (1993 - nil).

For the first time advantage can be taken of legislation which became effective on 1 July 1994 which enables companies to pay UK dividends from their overseas income as Foreign Income Dividends (FID's). Accordingly, the dividend will be paid as a FID. The tax credit on FID's cannot be reclaimed so the figure of 7.5p is equivalent to the gross amount of a conventional dividend of 6p (net).

Payment of the dividend as a FID, rather than as a conventional dividend, means that there will be no need to write off Advance Corporation Tax as was the case previously.

Directors

Mr I. H. Burns was appointed Group Financial Director on 20 July 1994.

Staff

The continuing hard work and commitment of our staff over the last few years has finally been manifested in these results, and on behalf of both shareholders and Directors, I thank them.

Current Prospects

Both aluminium and copper prices have fallen from their peaks and analysts differ widely in their forecasts for the rest of the year. This makes it necessary to be circumspect about predicting how long the very good results achieved so far will continue.

C Anders Cohen
Chairman

16 June 1995

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of A. Cohen & Co. plc for the year ended 31 December 1994.

GROUP ACTIVITIES

The company is a holding company and the principal activities of its subsidiary undertakings are the manufacture of non-ferrous metal ingots and the reclamation and trading of recyclable materials.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

A review of the group's results and prospects is contained in the chairman's statement.

DIVIDENDS AND TRANSFERS TO/FROM RESERVES

The profit attributable to members of the company amounted to £1,018,000 (1993 loss - £987,000).

The directors recommend payment of a final dividend of 7.5p per share (1993 - nil) to be paid out of overseas income as a Foreign Income Dividend. There was no interim dividend for 1994 (1993 - nil). The amount transferred to reserves was £897,000 (1993 - £987,000 transferred from reserves).

GOING CONCERN

After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

FIXED ASSETS

The changes in fixed assets during the year are summarised in notes 9 and 10 to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year are shown on page 1. Mr. I.H. Burns was appointed Financial Director on 20 July 1994.

Mr. B.R. Weatherill, aged 44, was appointed as a non-executive director in 1988. He is a practising barrister-at-law.

The beneficial interests of the directors and their families in the share capital of the company are shown below:

	Ordinary shares of 20p each		Non-voting 'A' Ordinary shares of 20p each	
	31.12.94	1.1.94	31.12.94	1.1.94
C.A. Cohen	57,918	57,918	450	450
M.A. Pylkkanen	5,045	5,045	1,179	1,179
R.O. Cohen	58,366	58,366	1,500	1,500
P.C. Freburg	-	-	-	-
I.H. Burns (from date of appointment)	-	-	-	-
B.R. Weatherill	3,000	1,400	1,000	1,000
	124,329	122,729	4,129	4,129

No shares were acquired or sold by any of the directors during the period from the end of the financial year to 16 June 1995 other than by Mr. B.R. Weatherill who acquired an additional 200 ordinary shares on 13 March 1995. None of the directors held a beneficial interest in the shares of any of the company's subsidiary undertakings.

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS (continued)

The company has granted options to the following directors to subscribe for ordinary and non-voting 'A' ordinary shares under the terms of the A. Cohen & Co. plc Group Share Option Scheme which are exercisable between 16 June 1995 and 11 December 1997 as indicated below:-

	At 31.12.94		At 1.1.94	
	Number of shares	Exercise price £	Number of shares	Exercise price £
Ordinary shares				
C.A. Cohen	20,000	5.85	20,000	5.85
M.A. Pylkkanen	10,000	5.85	10,000	5.85
R.O. Cohen	20,000	5.85	20,000	5.85
P.C. Freburg	-	-	-	-
I.H. Burns (from date of appointment)	-	-	-	-
Non-voting 'A' ordinary shares				
C.A. Cohen	8,000	4.00	8,000	4.00
M.A. Pylkkanen	4,000	4.00	4,000	4.00
R.O. Cohen	8,000	4.00	8,000	4.00
P.C. Freburg	-	-	-	-
I.H. Burns (from date of appointment)	-	-	-	-

Mr. B.R. Weatherill retires by rotation in accordance with article 100 and offers himself for re-election.

Mr I.H. Burns retires in accordance with article 72 and offers himself for re-election.

No director seeking re-election has a service contract with an unexpired period of more than one year.

The directors have no interests in any contracts with the company other than service contracts.

SHARE CAPITAL

At the Annual General Meeting of the company held on 19 July 1994, shareholders authorised market purchases by the company in the share capital of the company. That authority will expire at the completion of the 1995 Annual General Meeting and your directors consider it would be prudent to renew the authority. Special resolution 7 set out in the Notice of Annual General Meeting on page 29 will therefore be proposed for that purpose and, if passed, would give the directors power to purchase on behalf of the company up to 77,650 ordinary shares of 20p each and up to 83,955 non-voting 'A' ordinary shares of 20p each, these amounts being respectively 10 per cent of the relevant class of share. It is the directors' intention to exercise the authority so that, so far as is practicable, purchases of ordinary shares and non-voting 'A' ordinary shares will be made in equal proportions. The authority will expire on the date of the 1996 Annual General Meeting, or fifteen months after the passing of the resolution, whichever is the earlier. There is no present intention to purchase shares under the authority.

At the Annual General Meeting of the company held on 19 July 1994, shareholders also authorised the directors to allot unissued shares in accordance with Section 80 of the Companies Act 1985. This authority will expire at the completion of the 1995 Annual General Meeting and, in order to provide the directors with flexibility in future financing of the company, resolution number 8 set out in the Notice of Annual General Meeting on page 30 will be proposed to renew the authority given to the directors to allot relevant securities up to an aggregate nominal amount of £107,736 (amounting to just under one third of the issued share capital of the company). The authority will expire on the date of the 1996 Annual General Meeting, or fifteen months after the passing of the resolution, whichever is the earlier.

DIRECTORS' REPORT

SHARE CAPITAL (continued)

Resolution number 9 set out in the Notice of Annual General Meeting on page 30 will be proposed to give the directors power, pursuant to Section 95 of the Companies Act 1985, to allot equity securities (a) in connection with a rights issue and (b) in respect of other allotments up to an aggregate nominal value of £16,160 (representing just under 5 per cent of the issued share capital of the company). The authority will expire on the date of the 1996 Annual General Meeting, or fifteen months after the passing of the resolution, whichever is earlier.

SUBSTANTIAL SHAREHOLDERS

The directors have been notified of, or are aware of, the following interests in the ordinary shares:-

	Number	Per cent
Mrs R.V.M. Cohen	94,055	12.1
The Prudential Assurance Company Limited	60,100	7.7
Rock Nominees Limited	49,360	6.4
Mayer Cohen Industries Limited	49,250	6.3
AMP Nominees Limited	43,943	5.7
L.H. Cohen	41,940	5.4
R.A. Cohen	37,003	4.8
J.N. Cohen	36,587	4.7
Mrs E.M. Cohen	32,041	4.1

Save as disclosed herein, the directors are not aware of any shareholding representing 3 per cent or more of the ordinary shares in issue.

DIRECTORS' AND OFFICERS' LIABILITY

The company has purchased and maintained insurance for directors and officers to cover liabilities in relation to the company.

EMPLOYEES

It is the policy of the group to communicate with and involve employees on matters affecting their interests at work, and inform them of the performance of the business. It is also group policy to give full consideration to suitable applications for employment from disabled persons where they have the necessary abilities and skills for the position. Opportunities exist for employees who become disabled to continue in their employment or be retrained for another position.

DONATIONS

No political donations were made during the year. Charitable donations totalling £650 were made during the year.

Touche Ross

Deloitte Touche Tohmatsu International

DIRECTORS' REPORT

AUDITORS

Touche Ross & Co. have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the board of directors
and signed on behalf of the board

D.A. Fitzhugh

Secretary
16 June 1995

Touche Ross

Deloitte Touche Tohmatsu International

A. COHEN & CO. PLC

CORPORATE GOVERNANCE

In December 1992, the Cadbury Committee ("Cadbury") published its report on the financial aspects of corporate governance applicable to all listed companies in the UK. The Report sets out a Code of Best Practice ("the code"). Listed companies are required to report on their compliance with the code or give reasons if they do not fully comply.

Cadbury recognised that smaller listed companies might find it difficult to comply with the Code in full. Careful consideration has therefore been given to the City Group for Smaller Companies (CISCO) recommendations on refinements, to the Code for smaller companies.

In general, the directors support the principles of openness, integrity and accountability advocated by the code, and A. Cohen & Co. plc complies with the code to the extent that it is in effect with the following variations and exceptions:

The Board of Directors

The board exercises close management control and it has always been its philosophy to take all significant decisions affecting the operations or financing of the business.

There is no formal procedure for directors, in the furtherance of their duties, to take independent professional advice (if necessary at the group's expense), but any director is free to seek such advice as appropriate.

Non-executive Directors

The directors are of the opinion that the present size and structure of A. Cohen & Co. plc does not justify the appointment more than one non-executive director.

CISCO expresses concern about the position of a sole non-executive director. However, the non-executive director is a practising barrister and the directors are satisfied that his particular disposition and qualifications enable him to fulfil an independent role in a manner which ensures that, in view of the size of the board, an appropriate balance of responsibilities and views is maintained. Nevertheless, the board is conscious of CISCO's concerns and is keeping the situation under regular review.

Whilst the non-executive director is not appointed for a specific term, his re-appointment as a director is subject to shareholder approval at least once every three years due to retirement by rotation as provided in the company's Articles of Association.

Audit, Remuneration and Nomination Committees

It has not previously been the practice of A. Cohen & Co. plc to have separate Audit, Remuneration or Nomination Committees. In view of the small size of the board, the practice has rather been to meet as a full board for such purposes, and the non-executive director both takes an active part in these areas and specifically approves executive director remuneration levels where appropriate.

Other than the matters referred to above, the group has been in full compliance with the requirements of the code throughout the financial year.

Statement of Responsibility

The code requires a statement of directors' responsibilities in respect of the preparation of accounts which is to be found on page 10.

Approved by the Board of Directors on 16 June 1995

Signed on behalf of the Board of Directors

C Anders Cohen
Chairman

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the company as at the end of the financial year and of the profit or loss of the group for that period. In preparing those financial statements, they are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group 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 group and the company and to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors on 16 June 1995

Signed on behalf of the Board of Directors

C Anders Cohen
Chairman

Touche Ross

Chartered Accountants

Touche Ross & Co.
Hill House
1 Little New Street
London EC4A 3TR

Telephone: National 0171 936 3000
International + 44 171 936 3000
Telex: 884739 TRLNDN G
Fax (Gp. 3): 0171 583 8517
LDE: DX 599

AUDITORS' REPORT TO THE MEMBERS OF A. COHEN & CO. PLC

We have audited the financial statements on pages 12 to 28 which have been prepared under the accounting policies set out on pages 17 and 18.

Respective responsibilities of directors and auditors

As described on page 10 the company's directors are responsible for the preparation of 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 group's and 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 affairs of the company and the group as at 31 December 1994 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co

TOUCHE ROSS & CO.

Chartered Accountants and
Registered Auditors
Hill House
1 Little New Street
London EC4A 3TR

16 June 1995

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 December 1994

	Note	1994 £'000	1993 £'000
TURNOVER on continuing operations	2	79,080	78,196
Cost of sales		70,159	71,669
Gross profit		8,921	6,527
Distribution costs		2,364	2,118
Administrative expenses		5,180	4,928
Other operating income		(166)	(147)
		7,378	6,899
OPERATING PROFIT/(LOSS) on continuing operations	4	1,543	(372)
Share of profits less losses of associated undertakings		638	322
		2,181	(50)
Interest receivable		24	7
Interest payable	5	(438)	(479)
		(414)	(472)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	1,767	(522)
Tax on profit/(loss) on ordinary activities	6	(749)	(465)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		1,018	(987)
Dividends	7	(121)	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR TRANSFERRED TO/(FROM) RESERVES		897	(987)
Earnings/(loss) per share	8	63.0p	(61.1p)

Touche Ross

Deloitte Touche Tohmatsu International

A. COHEN & CO. PLC

CONSOLIDATED BALANCE SHEET
31 December 1994

	Note	1994 £'000	1993 £'000
FIXED ASSETS			
Tangible assets	9	10,847	9,901
Investments	10	1,684	1,656
		12,531	11,557
CURRENT ASSETS			
Stocks	11	10,281	7,479
Debtors	12	15,145	9,989
Cash at bank and in hand		343	729
		25,769	18,197
CREDITORS: amounts falling due within one year	13	19,761	12,799
NET CURRENT ASSETS		6,008	5,398
TOTAL ASSETS LESS CURRENT LIABILITIES		18,539	16,955
CREDITORS: amounts falling due after more than one year	14	138	153
Minority interests		3	3
		18,398	16,799
CAPITAL AND RESERVES			
Called up share capital	15	323	323
Capital redemption reserve	16	49	49
Share premium account	16	56	56
Revaluation reserve	16	4,961	5,171
Other reserves	16	3,796	3,752
Profit and loss account	16	9,213	7,448
EQUITY SHAREHOLDERS' FUNDS		18,398	16,799

These financial statements were approved by the board of directors on 16 June 1995.

Signed on behalf of the board of directors

C Anders Cohen
Chairman

Touche Ross

Deloitte Touche Tohmatsu International

A. COHEN & CO. PLC

BALANCE SHEET
31 December 1994

	Note	1994 £'000	1993 £'000
FIXED ASSETS			
Tangible assets	9	2	3
Investments	10	2,160	2,160
		2,162	2,163
CURRENT ASSETS			
Debtors	12	4,355	4,241
Cash at bank and in hand		3	-
		4,358	4,241
CREDITORS: amounts falling due within one year	13	2,516	2,945
NET CURRENT ASSETS		1,842	1,296
TOTAL ASSETS LESS CURRENT LIABILITIES		4,004	3,459
CREDITORS: amounts falling due after more than one year	14	115	153
		3,889	3,306
CAPITAL AND RESERVES			
Called up share capital	15	323	323
Capital redemption reserve	16	49	49
Share premium account	16	56	56
Other reserves	16	252	252
Profit and loss account	16	3,209	2,626
EQUITY SHAREHOLDERS' FUNDS		3,889	3,306

These financial statements were approved by the board of directors on 16 June 1995.

Signed on behalf of the board of directors

C Anders Cohen
Chairman

Touche Ross
Deloitte Touche Tohmatsu International

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 1994

	Note	1994 £'000	1993 £'000
Net cash (outflow)/inflow from operating activities	19	(634)	3,402
Returns on investments and servicing of finance			
Interest received		24	7
Interest paid		(438)	(479)
Dividends paid		-	(110)
Dividend received from associated undertaking		44	49
Net cash outflow from returns on investments and servicing of finance		(370)	(533)
Taxation			
Corporation tax paid (including advance corporation tax)		(354)	(455)
Net cash (outflow)/inflow before investing and financing activities		(1,358)	2,414
Investing activities			
Payments to acquire tangible fixed assets		(1,258)	(868)
Receipts from sales of tangible fixed assets		100	313
Acquisition of investments		-	(104)
Net cash outflow from investing activities		(1,158)	(659)
Net cash (outflow)/inflow before financing		(2,516)	1,755
Financing			
Loans repaid	20	(10)	(733)
New loans	20	692	163
Net cash inflow/(outflow) from financing		682	(570)
(Decrease)/increase in cash and cash equivalents	20	(1,834)	1,185

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 December 1994

	1994 £'000	1993 £'000
Profit/(loss) attributable to members of the company	1,018	(987)
(Reduction)/increase in unrealised surplus on revaluation of fixed assets	(250)	50
Currency translation differences on foreign currency net investments	935	(146)
Total recognised gains and losses relating to the year	1,703	(1,083)

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994 £'000	1993 £'000
Profit/(loss) attributable to members of the company	1,018	(987)
Dividends	(121)	-
	897	(987)
Other recognised gains and losses relating to the year	685	(96)
Capital reserve arising on acquisition by associated undertaking	17	-
Goodwill written off	-	(59)
Net addition to/(reduction in) shareholders' funds	1,599	(1,142)
Opening shareholders' funds	16,799	17,941
Closing shareholders' funds	18,398	16,799

NOTE OF HISTORICAL COST PROFITS AND LOSSES
Year ended 31 December 1994

	1994 £'000	1993 £'000
Profit/(loss) on ordinary activities before taxation	1,767	(522)
Realisation of property valuation gains of prior years	4	105
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	36	35
Historical cost profit/(loss) on ordinary activities before taxation	1,807	(382)
Historical cost profit/(loss) for the year after taxation, minority interests and dividends	1,058	(847)

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

1. **ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain land and buildings.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and all subsidiary undertakings, together with the group's share of the results of associated undertakings, for the financial year ended 31 December 1994.

Acquisitions

On the acquisition of a business, including an interest in an associated undertaking, fair values are attributed to the group's share of net tangible assets. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill and is written off directly to reserves in the year of acquisition.

Tangible fixed assets

Depreciation is provided on cost over the estimated useful lives of the asset. The rates of depreciation are as follows:

Freehold buildings	1% and 2% per annum
Short leasehold property	Over the term of the lease
Plant and machinery	15% per annum on written down value
Motor vehicles	25% and 30% per annum on written down value
Fixtures, fittings, tools and equipment	15% per annum on written down value

Grants of a revenue nature are credited to income in the period to which they relate.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

Leases

Assets held under finance leases are capitalised at their fair value on the inception of the lease and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

Operating lease rentals are charged to income in equal annual amounts over the lease term.

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

1. **ACCOUNTING POLICIES (continued)**

Foreign currencies

Company and UK subsidiary undertakings

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date unless covered by forward exchange contracts when the contracted rates are used. Transactions during the year in foreign currencies are recorded at the rates ruling at the dates of the transactions.

Overseas subsidiary and associated undertakings

The financial statements of overseas subsidiary and associated undertakings are translated into sterling at the rates of exchange ruling at the balance sheet date and their results are translated at the average rates for the year. The differences arising from the translation of the opening net investments in subsidiaries and associates are taken direct to reserves.

Pension costs

The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

2. **ANALYSIS OF GROUP TURNOVER, PROFIT/(LOSS) BEFORE TAXATION AND NET ASSETS**

The group operates predominantly in one sector. The principal activity is the manufacture and sale of non-ferrous metal ingots and the reclamation and trading of recyclable materials.

The geographical analysis of turnover is as follows:

	Profit/(loss) before taxation		Net Assets		Turnover (By Source)		Turnover (By Destination)	
	1994	1993	1994	1993	1994	1993	1994	1993
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
United Kingdom	(461)	(1,723)	598	375	26,012	35,088	13,779	12,640
Rest of Europe	-	-	-	-	-	-	5,663	4,657
Asia	-	-	-	-	-	-	13,316	20,059
Africa	-	-	-	-	-	-	21	31
North America	-	-	-	-	-	-	544	6,105
South America	-	-	-	-	-	-	337	256
Middle East	-	-	-	-	-	-	152	85
Australia	1,590	879	16,116	14,768	53,068	43,108	45,073	34,334
New Zealand	-	-	-	-	-	-	195	29
	1,129	(844)	16,714	15,143	79,080	78,196	79,080	78,196
Associated undertakings	638	322	1,684	1,656				
Total	1,767	(522)	18,398	16,799				

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	1994 £'000	1993 £'000
Directors' emoluments		
Fees	4	4
Other emoluments (including pension contributions)	341	241
	345	245
Remuneration of the chairman (excluding pension contributions)	67	67
Remuneration of the joint highest paid UK-based director (excluding pension contributions)	67	67

	1994 No.	1993 No.
Scale of other UK based directors' remuneration (excluding pension contributions)		
£ 0 - £ 5,000	1	1
£ 25,001 - £ 30,000	1	-
£ 55,001 - £ 60,000	1	1

	No.	No.
Average number of persons employed		
Office and management	131	135
Manufacturing	323	312
	454	447

	£'000	£'000
Staff costs during the year (including directors)		
Wages and salaries	6,965	6,361
Social security costs	531	501
Pension costs	146	155
	7,642	7,017

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

4. OPERATING PROFIT/(LOSS)

	1994 £'000	1993 £'000
Operating profit/ (loss) is stated after charging/(crediting):		
Depreciation - owned assets	846	751
Rentals under operating leases:		
Hire of plant and machinery	23	11
Land and buildings	207	237
Profit on disposal of fixed assets	(24)	(13)
Auditors' remuneration:		
Audit fees	72	63
Other	38	20

5. INTEREST PAYABLE

	1994 £'000	1993 £'000
Bank loans, overdrafts and other loans repayable within five years	438	479

6. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	1994 £'000	1993 £'000
United Kingdom corporation tax at 33% (1993 - 33%) based on the profit/(loss) for the year	-	-
Overseas taxation	596	372
Associated undertakings	153	93
	749	465

There are losses available to be carried forward to set against future profits of the same trade for United Kingdom tax purposes of £5,618,000. There is ACT written off available for set off against future United Kingdom profits of £1,489,000.

7. DIVIDENDS

	1994 £'000	1993 £'000
Interim - nil per ordinary share (1993 - nil)	-	-
Final proposed - 7.5p per ordinary share (1993 - nil)	121	-
	121	-

8. EARNINGS/(LOSS) PER SHARE

The calculation of earnings/(loss) per share is based on profits of £1,018,000 (1993 - losses of £987,000) and on the weighted average number of shares of 1,616,050 (1993 - 1,616,050) in issue during the year. No material dilution of earnings per share would arise if all outstanding share options were exercised.

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

9. TANGIBLE FIXED ASSETS

GROUP	Freehold land and buildings £'000	Short leasehold property £'000	Plant and machinery £'000	Fixtures, fittings and motor vehicles £'000	Total £'000
Cost or valuation					
At 1 January 1994	5,005	1,328	6,889	2,395	15,617
Exchange adjustment	365	-	418	146	929
Additions	213	2	764	306	1,285
Disposals	(18)	-	(114)	(182)	(314)
At 31 December 1994	5,565	1,330	7,957	2,665	17,517
Accumulated depreciation					
At 1 January 1994	54	54	4,188	1,420	5,716
Exchange adjustment	4	-	263	79	346
Charge for the year	31	27	517	271	846
Disposals	-	-	(92)	(146)	(238)
At 31 December 1994	89	81	4,876	1,624	6,670
Net book value					
At 31 December 1994	5,476	1,249	3,081	1,041	10,847
At 31 December 1993	4,951	1,274	2,701	975	9,901
Comparable amounts determined according to the historical cost convention:					
Cost	2,355	125	7,957	2,665	13,102
Accumulated depreciation	57	8	4,876	1,624	6,565
Net book value					
At 31 December 1994	2,298	117	3,081	1,041	6,537
At 31 December 1993	1,969	120	2,701	975	5,765

In December 1988 certain freehold and leasehold land and buildings were revalued on an existing use basis by professional valuers. In the opinion of the directors there has been no permanent diminution in value at 31 December 1994. The potential deferred tax liability arising from the revaluation is £nil (1993 - £nil).

Included in the net book value of plant and machinery is £27,000 (1993 - £nil) in respect of assets held under finance leases. Depreciation for the year on these assets was £nil (1993 -£nil).

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

9. TANGIBLE FIXED ASSETS (continued)

COMPANY	Motor vehicles £'000	Total £'000
Cost		
At 1 January 1994	13	13
At 31 December 1994	13	13
Accumulated depreciation		
At 1 January 1994	10	10
Charge for the year	1	1
At 31 December 1994	11	11
Net book value		
At 31 December 1994	2	2
At 31 December 1993	3	3

10. INVESTMENTS HELD AS FIXED ASSETS

	GROUP		COMPANY	
Subsidiary undertakings	**1994 £'000**	**1993 £'000**	**1994 £'000**	**1993 £'000**
Shares at cost			2,131	2,131
Amount written off investment			(84)	(84)
			2,047	2,047
Associated undertakings				
Shares at cost	422	422	113	113
Retained profit	535	216	-	-
Revaluation reserve	711	1,018	-	-
Other reserves	16	-	-	-
	1,684	1,656	2,160	2,160

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

10. INVESTMENTS HELD AS FIXED ASSETS (continued)

GROUP
Associated undertakings

	Shares at cost £'000	Profit £'000	Revaluation reserve £'000	Other reserve £'000	Total £'000
At 1 January 1994	422	216	1,018	-	1,656
Exchange movement	-	(122)	(57)	(1)	(180)
Retained profit	-	441	-	-	441
Capital reserve arising on acquisition by associated undertaking	-	-	-	17	17
Revaluation	-	-	(250)	-	(250)
At 31 December 1994	422	535	711	16	1,684

Due to exchange control restrictions in Zimbabwe, access to distributable profits of Metal Sales Company (PVT) Limited is limited.

Additional information in respect of subsidiary and associated undertakings is given in note 23 on page 28.

11. STOCKS

	1994 £'000	1993 £'000
Raw materials and consumables	7,065	4,516
Finished goods and goods for resale	3,216	2,963
	10,281	7,479

12. DEBTORS

	GROUP 1994 £'000	GROUP 1993 £'000	COMPANY 1994 £'000	COMPANY 1993 £'000
Trade debtors	13,503	8,844	-	-
Amounts owed by group undertakings	-	-	4,237	4,161
Amounts owed by associated undertakings	55	294	55	58
Other debtors	589	332	30	18
Prepayments and accrued income	968	519	3	4
ACT recoverable	30	-	30	-
	15,145	9,989	4,355	4,241

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
Bank loans wholly repayable within one year	2,612	1,792	530	530
Bank overdrafts	6,801	5,274	970	978
Other loans repayable within one year	38	10	38	10
Obligations under finance leases	4	-	-	-
Trade creditors	7,473	3,753	-	-
Amounts owed to group undertakings	-	-	726	1,200
Current corporation tax	666	385	-	-
ACT payable	30	16	30	16
Other taxes and social security	40	67	-	-
Other creditors	793	677	59	60
Accruals and deferred income	1,183	825	42	151
Proposed dividend	121	-	121	-
	19,761	12,799	2,516	2,945

Amounts owed to group undertakings include AUS$1,500,000 (1993 - AUS$2,500,000) which represents a reduction in the net investment in the Australian subsidiary. Accordingly this amount has not been retranslated at the exchange rate ruling at the balance sheet date.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		COMPANY	
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
Other loans repayable within one to two years	38	38	38	38
Other loans repayable within two to five years	77	115	77	115
Obligations under finance leases	23	-	-	-
	138	153	115	153

15. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	Number	£	Number	£
At 1 January 1994 and 31 December 1994				
Ordinary shares of 20p each	1,500,000	300,000	776,500	155,300
Non-voting 'A' ordinary shares of 20p each	1,500,000	300,000	839,550	167,910
	3,000,000	600,000	1,616,050	323,210

The 'A' ordinary shares shall rank pari passu in all respects with the ordinary shares save that they shall not confer upon the holders any right to receive notice of or to attend or vote at any General Meeting.

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

15. SHARE CAPITAL (continued)

Share options: There were outstanding at 31 December 1994 options granted to directors and employees within the group under the A. Cohen & Co. plc group option scheme to subscribe for ordinary shares of 20p each to the aggregate nominal value of £11,600 at prices between £5.00 and £5.85 and for non-voting 'A' ordinary shares of 20p each to the aggregate nominal value of £9,400 at a price of £4.00. These options are exercisable between 16 June 1995 and 11 December 1997.

16. RESERVES

	Capital redemption reserve £'000	Share premium account £'000	Revaluation reserve £'000	Other reserves £'000	Profit and loss account £'000
GROUP					
At 1 January 1994	49	56	5,171	3,752	7,448
Adjustment for exchange rates	-	-	80	27	828
Profit for the year	-	-	-	-	897
Transfer of amount equivalent to additional depreciation on revalued assets	-	-	(36)	-	36
Transfer in respect of assets disposed of	-	-	(4)	-	4
Revaluation arising in associated undertaking	-	-	(250)	-	-
Capital reserve arising on acquisition by associated undertaking	-	-	-	17	-
At 31 December 1994	49	56	4,961	3,796	9,213

The cumulative amount of goodwill written off against reserves of the group as at 31 December 1994 amounted to £138,000 (1993 - £138,000).

	Capital redemption reserve £'000	Share premium account £'000	Other reserves £'000	Profit and loss account £'000
COMPANY				
At 1 January 1994	49	56	252	2,626
Retained profit for the year	-	-	-	583
At 31 December 1994	49	56	252	3,209

As permitted by Section 230 of the Companies Act 1985 the profit and loss account of the parent undertaking, A. Cohen & Co. plc, has not been presented in these accounts. The profit after tax of the parent undertaking for the financial year amounted to £704,000 (1993 - £76,000).

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

17. FINANCIAL COMMITMENTS

At 31 December 1994, the group had capital commitments in respect of the purchase of machinery and equipment totalling £106,000 (1993 - £35,000).

The group has annual commitments under operating leases for land and buildings which expire after five years of £188,000.

The maturity of obligations under finance leases is as follows:

	1994 £'000	1993 £'000
Within one year	8	-
In the second to fifth years	33	-
	41	-
Less: future finance charges	14	-
	27	-

18. GUARANTEES

At 31 December 1994 the company had guaranteed the bank borrowings of subsidiary undertakings amounting to £3,915,000 (1993 - £3,302,000).

19. CASH FLOW STATEMENT: Reconciliation of operating profit/(loss) before interest and tax to net cash (outflow)/inflow from operating activities.

	1994 £'000	1993 £'000
Operating profit/(loss)	1,543	(372)
Depreciation	846	751
Profit on sale of tangible fixed assets	(24)	(13)
Net movement in working capital		
Stocks	(2,265)	1,422
Debtors	(4,533)	2,212
Creditors	3,799	(598)
Net cash (outflow)/inflow from operating activities	(634)	3,402

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

20. CASH FLOW STATEMENT: Movement in net debt.

	Cash and cash equivalents		Loan finance	
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
At 1 January	(4,545)	(5,533)	1,955	2,511
Exchange adjustments	(79)	(197)	128	14
Movement during year	(1,834)	1,185	-	-
New loans	-	-	692	163
Inception of new finance leases	-	-	27	-
Loans repaid	-	-	(10)	(733)
At 31 December	(6,458)	(4,545)	2,792	1,955

21. CASH FLOW STATEMENT: Analysis of the balances of cash and cash equivalents as shown in the balance sheet.

	1994	1993	Change in year
	£'000	£'000	£'000
Cash at bank and in hand	343	729	(386)
Bank overdrafts	(6,801)	(5,274)	(1,527)
	(6,458)	(4,545)	(1,913)

22. PENSIONS

The group makes contributions to various pension schemes as shown below. The funds of these schemes are administered by trustees and held separately from the group's assets.

	1994	1993
	£'000	£'000
Contributions:		
UK - defined benefit scheme	-	29
- defined contribution scheme	70	36
Overseas schemes	76	77
	146	142

UK scheme

The UK defined benefit scheme was terminated with effect from 31 May 1993 with a surplus which is to be allocated to members. The UK defined contribution scheme was set up with effect from 1 June 1993.

Overseas schemes

The overseas schemes consist of a defined benefit scheme and defined contribution schemes.

The defined benefit scheme is a funded scheme providing benefits based on final pensionable pay. The funding policy is determined in accordance with actuarial recommendations using an aggregate funding method. The last actuarial valuation was at 1 January 1994.

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

23. PRINCIPAL SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

Country of incorporation and operation		Class of Share held	Interest in Equity
SUBSIDIARY UNDERTAKINGS			
GREAT BRITAIN			
A. COHEN & CO. (GREAT BRITAIN) LTD.	Production of copper and aluminium alloy ingots and processing of metals.	Ordinary	100%
JACOB METALS LTD.	International metal merchants.	Ordinary	100%
KING OF NORWICH (Non-ferrous) LTD.	Collecting, processing factory and metal merchants.	Ordinary	100%
COMEXIM INTERNATIONAL LTD.	International metal merchants.	Ordinary	100%

All the companies incorporated in Great Britain are registered in England and Wales except Comexim International Ltd. which is registered in Scotland.

AUSTRALIA			
NONFERRAL PTY. LTD.	Producers of aluminium alloy and copper alloy ingots and silver bullion.	Ordinary	100%
Wholly owned subsidiary undertakings of Nonferral Pty. Ltd.			
NONFERRAL (NSW) PTY. LTD.			
NONFERRAL (SA) PTY. LTD.			
NONFERRAL (WA) PTY. LTD.			
NONFERRAL (Qld) PTY. LTD.			
NONFERRAL (NT) PTY. LTD.			
SILEC PTY. LTD.			
ASSOCIATED UNDERTAKINGS			
GREAT BRITAIN			
MAYER COHEN INDUSTRIES LTD. Held by subsidiary undertaking	Reclamation of plastic and electronic scrap.	Ordinary	50%
ZIMBABWE			
METAL SALES CO. (PVT). LTD.	Producers of copper alloy and aluminium alloy ingots and copper wirebars, zinc distillation and distribution of brass and copper semis.	Ordinary	46.9%
SOUTH AFRICA			
SPEEDMARK INDUSTRIES (PROPRIETARY) LTD.	Injection moulding of engineering plastics and production of conveyor rollers for the mining industry.	Ordinary	24.9%

NOTICE OF MEETING

Notice is hereby given that the Eighty-fourth Annual General Meeting of A. Cohen & Co. plc will be held at Clareville House, 25/27 Oxendon Street, London SW1, on 18 July 1995 at noon, for the following purposes:

1. To receive and adopt the accounts of the company for the year ended 31 December 1994 and the reports of the directors and auditors thereon.
2. To declare a dividend
3. To re-elect Mr. B.R. Weatherill who retires by rotation in accordance with article 100.
4. To re-elect Mr. I.H. Burns who offers himself for re-election in accordance with Article 72.
5. To re-appoint the auditors, Touche Ross & Co.
6. To fix the auditors' remuneration.
7. To consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:

   "THAT this General Meeting hereby unconditionally and generally authorises the company to make market purchases (as defined in Section 163 of the Companies Act 1985) of ordinary shares of 20p each and non-voting 'A' ordinary shares of 20p each in the capital of the company provided that:

   (a) the maximum number of ordinary shares hereby authorised to be acquired is 77,650;

   (b) the maximum number of non-voting 'A' ordinary shares hereby authorised to be acquired is 83,955;

   (c) the minimum price (exclusive of expenses) which may be paid for such shares is 20p per share;

   (d) the maximum price (exclusive of expenses) which may be paid for such shares is, in respect of a share contracted to be purchased on any day, an amount equal to 105 per cent of the average of the upper and lower prices shown in the quotations for (in the case of the purchase of ordinary shares) the ordinary shares and (in the case of the purchase of non-voting 'A' ordinary shares) the non-voting 'A' ordinary shares of the company in the Daily Official List of the London Stock Exchange on the ten business days immediately preceding the day on which the share is contracted to be purchased;

   (e) the authority hereby conferred shall expire on the date of the next Annual General Meeting of the company or fifteen months after the passing of this resolution (whichever shall be the earlier);

   (f) the company may make a contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of its own shares in pursuance of any such contract."

NOTICE OF MEETING (continued)

8. To consider and, if thought fit, to pass the following resolution which will be proposed as an ordinary resolution:

"THAT the board be and it is hereby generally and unconditionally authorised to exercise all powers of the company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) and up to an aggregate nominal amount of £107,736 to such persons and on such terms as they think fit as if Article 7 of the articles of association of the company did not apply provided that this authority shall expire on the date of the next Annual General Meeting after the passing of this resolution or fifteen months after the passing of this resolution (whichever shall be the earlier) save that the company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the board may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired."

9. To consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:

"THAT subject to the passing of the previous resolution the board be and it is hereby empowered pursuant to Section 95 of the Companies Act 1985 and Article 7 of the articles of association of the company to allot equity securities (within the meaning of Section 94 of the said Act) for cash pursuant to the authority conferred by the previous resolution as if sub-section (1) of Section 89 of the said Act did not apply to any such allotment provided that this power shall be limited:

(a) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them;

(b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £16,160

and shall expire on the date of the next Annual General Meeting of the company after the passing of this resolution or fifteen months after the passing of this resolution (whichever shall be the earlier) save that the company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the board may allot equity securities in the pursuance of such offer or agreement as if the power conferred thereby had not expired".

By order of the board

D.A. Fitzhugh, *Secretary*
1[illegible] June 1995

Clareville House, 25/27 Oxendon Street, London SW1Y 4EL

Note

Only holders of ordinary shares of 20p each are entitled to attend or be represented at the Meeting.

(1) Any member entitled to attend and vote at the Meeting may appoint one or more proxies to attend and on a poll to vote instead of him or her. A proxy need not be a member of the company.

(2) A proxy form is enclosed for use at the Meeting. To be effective, forms of proxy must be deposited not less than 48 hours before the time appointed for the Meeting or (if such Meeting shall be adjourned) any adjournments thereof at the registered office of the company at Clareville House, 25/27 Oxendon Street, London SW1Y 4EL.

(3) Copies of contracts of service of the directors of more than one year's duration will be available for inspection at the registered office of the company from the date of this notice until the date of the Meeting.