C°.No. 00113845

A COHEN & CO PLC

Report and Financial Statements

Year ended 31 December 2000

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COMPANIES HOUSE 28/09/01

Contents

Officers and Professional Advisers

Directors

R. B. Ritchie, CPA	*Chairman and Chief Executive*
R. Sincock, BCom FCA	*Non-Executive (appointed 8 March 2001)*
J. S. Ferguson	*Non-Executive*
C. A. Cohen	*Executive Director (resigned 9 February 2000)*
R. O. Cohen, BA	*Executive Director (resigned 24 July 2000)*
S. Redman, BA FCMA	*Financial Director (resigned 24 July 2000)*
B. R. Weatherill, QC	*Non-Executive (resigned 24 July 2000)*
S. D. Hudd, BSc CEng MIEE	*Non-Executive (resigned 8 March 2001)*

Company Secretary

S. Redman, BA FCMA resigned 7 April 2001
J. D. Jones, BCom AGASA appointed 7 April 2001

Registered office and head office

Purland Road
West Thamesmead Business Park
London SE28 0AT

Company registration number

00113845

Bankers

HSBC Bank plc
90 Baker Street
London W1M 2AX

Stockbrokers and financial advisers

Old Mutual Securities
Old Mutual Place
2 Lambeth Hill
London EC4V 4GG

Auditors

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

Solicitors

Hobson Audley
7 Pilgrim Street
London EC4V 6LB

Registrars and transfer office

Computershare Services PLC
Registrars Department
Caxton House
Redcliffe Way
Bristol BS79 7NH

Chairman's statement

General Review

The Company announced on 30 April 2001 a Group operating profit of £200,000 (1999 - loss £3,046,000). Unfortunately, this operating profit was too little too late and became a net loss attributable to shareholders of £3,619,000 (1999 - £4,615,000) representing losses per ordinary share of 216.0p (1999 - 279.4p).

The loss was incurred on a turnover of £44,987,000 – a decrease from £71,267,000 in 1999.

Operating profit for 2000 became a net loss before tax as a result of the loss of Group control of Nonferral due to the necessary sale of the investment at a loss of £3,611,000 to meet the Company's obligations to the banking syndicate, which had demanded repayment in full of its facilities on 24 July 2000, and other pressing creditors of the Company and the Group.

The background to the above commenced in 1996 when the Group began incurring losses, which were aggravated by losses in its then wholly owned subsidiary NFR. This resulted in the Group reporting a loss of approximately £2.6 million for the year ended 31 December 1996, followed by accumulated losses in the UK of approximately £7.7 million for the three years ended 31 December 1999. During this same four year period NFR reported cumulative losses of approximately £1.8 million. These losses, together with the reduction in value of overseas investments due to exchange rate movements, reduced the Group's shareholders' funds from approximately £18 million on 1 January 1996 to approximately £4.8 million at 31 December 1999. During the same period, the Group's liabilities increased from approximately £19.4 million to £25.5 million.

As set out above the losses occurred primarily in the UK and resulted in the sale and discontinuance of a large number of the activities and investments of the Group with serious consequences for the continued operation of the Group.

Concurrently with the release of this Annual Report the Group will publish a prospectus involving the fundamental restructuring of the capital base of the Company and the Group including a rights issue to existing shareholders to enable the Group to re-establish its capital base and operate its residual activities in an effective manner. This restructuring and capital issue is critical to the continued operation of the Group and residual businesses.

The restructuring of the capital base of the Group, the fund raising and the sale of the Group investment in NFR, together with a number of associated matters, are subject to shareholders' approval.

This approval will lead to the Group being able to operate and expand its residual businesses and investments and will re-establish the Company's capital base at a satisfactory, albeit smaller, level.

Continuing Activities

The continuing operating activities of the Group which are all located in the UK, trade internationally and include the following:

A. Cohen & Co. (GB) Ltd.

This subsidiary operates the residual business of phosphor copper production which has, and continues to be the major contributor to operating profits in the UK and, although subject to the impact of the current economic downturn, is expected to remain a material contributor to the Group's operations in the near future. This is the major business operated from the now under-utilised Woolwich premises that the Group has retained.

This subsidiary also operates a trading and merchanting business which did not make an operating profit in 2000. However, with the injection of satisfactory working capital into the Group, its performance is expected to improve.

The Group also expects to increase the utilisation of the Woolwich premises by development and/or acquisition of appropriate associated businesses either alone or in joint venture which will contribute to additional activities on the site in 2001.

Jacob Metals Limited

Jacob Metals achieved a breakeven result in 2000 in very difficult circumstances. It is also expected to improve its performance with the addition of further working capital in 2001 which will enable the international trading activities of this Company to be re-established at prior levels and contribute at a satisfactory level to the future of the Group.

Retained Investments

The Group has retained interests in two investments being

Metal Sales, Zimbabwe 46.9%

Notwithstanding considerable difficulties in Zimbabwe which have disrupted the performance of the business this investment has continued to make profits and during 2000 paid dividends to the Company. The activities of this investment are also complementary to the residual operations of the Group. The directors will undertake a review of the future of this investment in 2001.

Speedmark Industries, South Africa 37.4%

The investment in this Company has also returned dividends during 2000 from its operations, which comprise a plastics and a roller business in South Africa. The future of the business is linked to the mining and industrial activities in countries in the African continent. The future of this investment will also be reviewed by the directors during 2001.

Financial

The financial position of the Group has been under stress for some time culminating in a crisis during 2000 requiring urgent action and disposal of assets to facilitate the restructuring of the entire borrowings of the Company. Fortunately, this was able to be achieved through the acquisition of the banking syndicate debt of the Group by Wilmington Pty. Ltd. – a Company associated with myself and details of which are included in the accounts. Wilmington Pty. Ltd. has also, subject to shareholders' approval, purchased the 49 per cent. shareholding the Group held in Nonferral Recyclers Limited and provided an interest free deposit pending such approval. Wilmington Pty. Ltd. has also provided a further advance to the Group and not required the payment of interest pending the financial restructuring included in the prospectus being issued with these accounts.

Dividend

In view of the losses incurred by the Group during 2000, the directors are unable to recommend the payment of a final dividend.

Directors

There were considerable changes in the composition of the Board of Directors of the Company during the year including the resignation of Mr C.A. Cohen in February 2000 and the resignations of Mr R.O. Cohen, Mr S. Redman and Mr B.R. Weatherill as part of the restructure of the Group in July 2000.

Since the end of the year during March 2001 Mr R.J. Sincock has been appointed to the Board to replace Mr S. Hudd who also resigned.

The above changes were necessary and appropriate for the initial and further restructuring of the Group.

Staff

As a consequence of continued difficulties and restructuring of the Group a number of staff and employees were made redundant during the year. This leaves a small core of committed staff to meet the challenges of the future.

I thank them on behalf of the board for their efforts.

Chairman's statement (continued)

Prospects

The prospects of the Group for the future revolve around the approval by shareholders of the proposals set out in the prospectus issued with this report and accounts and involve the continued improved performance of the phosphor copper business and increased utilisation of the Woolwich site, the Jacob Metals business and the merchanting and trading business of A. Cohen & Co. (Great Britain) Ltd.

In addition the directors propose to expand the business of the Group by internal generation of opportunities, entering into joint ventures and acquisition of appropriate businesses to complement and re-establish the Group as a vibrant and ongoing concern.

Your directors are now commencing their investigations into the opportunities for the future in anticipation of the passing of all resolutions at the forthcoming annual and extraordinary general meetings which will provide them with the funds to implement the strategies necessary to rebuild the Group.

R.B. Ritchie
Executive Chairman

Directors' report

The directors present their annual report and the audited financial statements of A. Cohen & Co. plc for the year ended 31 December 2000.

Group Activities

The Company is a holding company and the principal activity of its subsidiaries is the manufacture of non-ferrous metal ingots and other smelted products and the reclamation and trading of recyclable materials.

Review of developments and future prospects

The Chairman's statement highlights that the problems of the Group culminated in a year of crisis in 2000 and that the forthcoming restructuring is critical for the future of the Group.

As indicated both in the Chairman's statement and in the accounts, it was necessary for the Group to dispose of its investment in Nonferral Recyclers Ltd to meet its financial obligations.

The Group also negotiated a settlement of the former lease of its head office premises at Clareville House in central London.

Many years of losses, and a resultant inability to refinance and/or restructure the Group under its existing and prior shareholding structure, lead to the current and essential major restructuring of the Group, including a significant proposed capital increase.

As indicated in the Chairman's statement, the profit was too little and too late to overcome the need for a further major restructuring which is presented to shareholders in the prospectus issued on the same date as this report and accounts.

Subject to shareholders' approval of all the proposals to be put at the forthcoming meetings it is expected that the Group will be able to rebuild and acquire businesses that should provide returns to shareholders in future.

Results and dividends

The loss attributable to members of the Group amounted to £3,619,000 (1999 - £4,615,000).

The directors do not recommend payment of a final dividend (1999 - £nil). No interim dividend was paid (1999 - £nil).

Post balance sheet events

An extraordinary general meeting of the Company is to be held on [11] June 2001 to consider proposals relating to the restructuring and refinancing of the Group.

Since 31 December 2000 a subsidiary of NFR, A. Cohen (UK) Ltd has provided unsecured short term advances of £316,328 and US$ 609,000 as at 30 April 2001 at an interest rate of 18 per cent. per annum and with the condition that the Company offer A. Cohen (UK) Ltd the right of first and last refusal for the purchase of or subscription of capital to Jacob Metals Ltd in the event that the Company wishes to dispose of or issue capital in Jacob Metals Ltd to unrelated parties.

Directors

The directors who served throughout the year are shown on page 1.

Mr R. Sincock, having been appointed since the last Annual General Meeting retires in accordance with article 72 of the Company's Articles of Association and offers himself for re-election.

Mr J. Ferguson retires by rotation in accordance with article 100 of the Company's Articles of Association and offers himself for re-election.

Details of directors' interests in the share capital of the Company are set out in the report of the Remuneration Committee on pages 11 and 12.

Substantial shareholders

The directors have been notified of, or are aware of, the following interests of non-directors in the ordinary shares of 20p each of the Company as at 3 May 2001.

	Number	Per cent
Midland Bank Offshore Ltd	175,803	20.38
Nonferral (UK) Ltd	160,000	18.55
Capel-Cure Myers Nominees Ltd	42,701	4.95
Mr R. O. Cohen	36,534	4.24
Mr C. A. Cohen	35,723	4.14
Mrs B. A. Axson	27,451	3.18

The directors are not aware of any changes in these interests since that date. Save as disclosed above and in the report of the Remuneration Committee, the directors are not aware of any shareholding representing 3% or more of the ordinary shares of 20p each in issue.

Directors' report (continued)

Employees

It is the policy of the Group to communicate with and involve employees on matters affecting their interests at work, and to inform them of the performance of the business. It is also Group policy to give full and fair 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.

Supplier payment terms

It is the Company's normal practice to negotiate terms of transactions, including payment terms, with suppliers. Provided suppliers perform in accordance with agreed terms, it is the Company's policy that payment is made accordingly. Creditor days of the Group for the year ended 31 December 2000 were 47.9 days (1999 - 42.7 days), calculated in accordance with the requirements set down in the Companies Act 1985. This represents the ratio, expressed in days, between the amounts invoiced to the Group by its suppliers in the year and the amounts due, at the year end, to trade creditors within one year.

Approved by the Board of Directors and signed on behalf of the Board.

R.B. Ritchie
Executive Chairman
18 May 2001

Corporate governance

In June 1998 the Combined Code was issued by the UK Listing Authority. This Code is based on the report of the Hampel Committee and sets out Principles of Good Corporate Governance and Code provisions, which consolidate the work of the earlier Cadbury and Greenbury Committees. Section 1 of the Code is applicable to companies.

A narrative statement on how the Company has applied the Principles and a statement explaining the extent to which the provisions in the Code have been complied with appear below.

Narrative statement

The Code establishes fourteen Principles of Good Governance which are split into the four areas described below.

The Board

Chairman and Chief Executive

The roles of Chairman and Chief Executive are both undertaken by Mr Royce Ritchie. The Board of Directors are satisfied that this is currently in the best interests of the Group and its shareholders, but they recognise that this will not be appropriate in the long term. Once the current re-organisation and refinancing have been completed the Board will be in a position to consider the appointment of a separate and suitable Chief Executive or officers of the operating businesses and/ or the Group as appropriate

Directors

The Company has experienced significant changes to the composition of its Board of Directors during the year; these are set out on page 1. The withdrawal of bank facilities and the loss of control of the Company's investment in Nonferral Recyclers Ltd. on 24 July 2000 coincided with the resignation of a number of Board members. Immediately following these resignations, Royce Ritchie, as Chairman and Chief Executive of the Group took day to day control of the business.

From 24 July until the year end, the Board of Directors comprised of Royce Ritchie and two non-executive directors; Steve Hudd and James Ferguson. James Ferguson became a non-executive director following the sale of the Glasgow operations and the transfer of his employment to Nonferral Recyclers Ltd. He is not however considered to be independent as a result of this employment.

On 8 March 2001 Steve Hudd resigned from the Board and was replaced by Russell Sincock. Mr Sincock is also retained as the Company Secretary of Nonferral Recyclers Limited, but the Board do not consider that this engagement prevents him from being considered as an independent non-executive director of the Company. The Board therefore currently comprises one executive and two non-executive directors, one of whom is considered independent. Mr Ferguson is recognised as the senior non-executive director.

The Chairman is mainly responsible for the running of the Board and as such has to ensure that all directors receive sufficient relevant information on financial, business and corporate issues prior to meetings. As Chief Executive he also has responsibility to focus on co-ordinating the Company's business and implementing Group strategy. All directors are able to take independent professional advice in furtherance of their duties, if necessary.

The Board is responsible for overall Group strategy, acquisition and divestment policy, approval of major capital expenditure projects and consideration of significant financing matters. The Board meets regularly and considers that there is an agreed understanding with all the Group's employees of the matters reserved for Board decision, but no formal written schedule has been prepared. The Company Secretary is currently taking steps to formalise this matter.

Corporate governance (continued)

Following the reorganisation of the Board, the Chief Executive and the non-executive directors have undertaken, as part of their attempts to return the Group to profitability, an overall review of the operations of the Group. This has included a review of the strategic direction of individual trading subsidiaries, their codes of conduct, their annual budgets, their progress towards achievement of those budgets and their capital expenditure programmes. The Group has not however implemented a system of controls that would formalise this process on an ongoing basis. It is the intention of the Board to introduce such formal procedures in accordance with the Turnbull Guidance, following the completion of the current corporate transactions and the planned strengthening of the Board.

All directors, will submit themselves for re-election at least once every three years and new directors submit themselves for re-election at the earliest opportunity following their appointment.

The Board has established a number of standing committees. Each committee operates within defined terms of reference. There are two committees namely the Audit Committee and the Remuneration and Appointments Committee. Trading companies are managed by separate boards of directors. The minutes of their meetings and of the standing committees are circulated to and reviewed by the Board of Directors.

Those attending and the frequency of Board and Committee meetings during the year was as follows:

Board Meetings (12 in year)

R. B. Ritchie	(Chairman and Chief Executive)
C. A. Cohen	(Executive Director resigned 9 February 2000)
R. O. Cohen	(Executive Director resigned 24 July 2000)
J. S. Ferguson	(Non Executive)
B. R. Weatherill	(Non Executive, resigned 24 July 2000)
S. D. Hudd	(Non Executive, resigned 8 March 2001)
S. Redman	(resigned 24 July 2000)

Remuneration & Appointments Committee (2 in year)

B. R. Weatherill	(Chairman, resigned 24 July 2000)
S. D. Hudd	(Chairman from 24 July, resigned 8 March 2001)
C. A. Cohen	(Executive Director resigned 9 February 2000)
R. O. Cohen	(Executive Director resigned 24 July 2000)
J. S. Ferguson	(appointed 24 July 2000)

Audit Committee (2 in year)

B. R. Weatherill	(Chairman, resigned 24 July 2000)
S. D. Hudd	(Chairman from 24 July 2000, resigned 8 March 2001)
J. A. Ferguson	(appointed 12 January 2000)
C. A. Cohen	(Executive Director resigned 9 February 2000)
R. O. Cohen	(Executive Director resigned 24 July 2000)

The Directors consider that the Board is not sufficiently large to justify a separate Nominations committee.

Company Secretary

All the directors have access to the advice and services of the company secretary who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. Mr Simon Redman, who was company secretary throughout the year has subsequently resigned and was replaced by Mr David Jones.

Directors' Remuneration

The Remuneration Committee measures the performance of the executive directors and key members of senior management as a prelude to recommending their annual remuneration to the Board for final determination.

The remuneration of the non-executive directors is recommended by the Chairman and takes account of the time spent on Committee matters. The final determinations are made by the Board as a whole, but no director plays a part in any discussion about his, or her, own remuneration. The Committee has access to professional advice from inside and outside the Company.

During the year, both of the executive members and one of the non-executive members of the Remuneration committee resigned. Mr Ferguson, who became a non-executive director on 12 January 2000, was appointed to the committee.

The Report of the Board to the Shareholders on Directors' Remuneration is set out on pages 11 and 12.

Relations with shareholders

The Company encourages two way communication with both its institutional and private investors and responds to all queries received verbally or in writing. All shareholders have at least twenty working days notice of the Annual General Meeting at which all directors and Committee chairmen are introduced and are available for questions.

Accountability and Audit

Financial Reporting

A review of the performance of each Company is included in the Chairman's statement. The Board uses this together with the Directors' Report on pages 5 to 6, to present a balanced and understandable assessment of the Company's position and prospects. The directors' responsibilities for the financial statements are described on page 13.

Internal financial control

The directors are responsible for the Group's system of internal financial control. As outlined above, the Chief Executive assumed day to day control of the Company from 24 July 2000 and began a review process which included the assessment of the Group's internal financial control systems. Such systems can provide only reasonable but not absolute assurance against material misstatement or loss. The key control procedures, which were in place throughout the year, are described under the following headings.

- *Financial reporting*

The Group has a comprehensive system for reporting financial results to the Board; each Company prepares monthly results with a comparison against budget. The Board reviews these for the Group as a whole and determines appropriate action. Towards the end of each financial year the companies prepare detailed budgets for the following year which are reviewed by the Board.

- *Operating unit financial controls*

The executive management has defined the financial controls and procedures with which each operating unit is required to comply. Key controls over major business risks include reviews against performance indicators and exception reporting. The operating units make regular assessments of their exposure to major business risks and the extent to which these risks are controlled.

- *Computer systems*

Much of the Group's financial and management information is processed by and stored on computer systems. Accordingly, the Group has established controls and procedures over the security of data held on computer systems. Also, the Group has put in place arrangements for computer processing to continue and data to be retained in the event of the complete failure of the Group's own data processing facility.

- *Controls over central functions*

A number of the Group's key functions, including treasury, risk management, and insurance, are dealt with centrally by the Company Secretary.

Audit Committee and Auditors

The Audit Committee has specific terms of reference which deal with its authority and duties. It meets at least twice a year with the external auditors attending by invitation. The Committee monitors the adequacy of the Group's internal controls, accounting policies and financial reporting and provides a forum through which the Group's external auditors' report to the non-executive directors.

During the year the Chairman of the Audit Committee resigned and was replaced by Mr Hudd. Since the year end Mr Hudd has resigned and Mr Sincock has been appointed as Chairman of the Committee.

Going concern basis

The directors have formed a judgement, at the time of approving the financial statements, that it is appropriate to adopt the going concern basis in preparing the financial statements. The basis on which this assumption has been made is set out in Note 1 of the financial statements.

Corporate governance (continued)

Compliance statement

The Board recognises that it is responsible for the Group's system of internal control and for renewing its effectiveness.

In the Corporate Governance Report in the 1999 Annual Report the directors explained that the Company was undergoing a considerable restructuring programme and that this had prevented them from completing their implementation of all the procedures required to comply fully with the requirements of the Combined Code and the recommendations of the Turnbull report. The Board had at that time expected to be in a position of full compliance by the end of the year 2000. However, the restructuring continued throughout the year 2000 and to date and has included significant changes in the composition of the Board of Directors that hampered the Group's ability to complete its programme as planned.

The Board's activities since 24 July 2000 have focused primarily on re-establishing the Group's financial stability and profitability. During the year, the Chief Executive, assisted by the non-executive directors, commenced a strategic review of the operations and control procedures of the Group. Following the completion of the refinancing of the Group in June 2001, it is anticipated that the Directors will be in a position to complete the Group's compliance programme.

The UK Listing Authority requires the Board to report on compliance with the forty-five Code provisions throughout the accounting period. Save for the exceptions outlined below, the Company has complied throughout the accounting period ended 31 December 2000 with the provisions set out in Section 1 of the Code.

As discussed in the narrative statement above, A. Cohen & Co. plc complies with the provisions of the Code except in the following areas:

A 1.2 The Board did not have a formal written schedule of matters reserved specifically for its decision throughout the year.

A 2.1 The roles of Chief Executive and Chairman were combined throughout the year.

A 3.2 Following Board resignations on 24 July 2000, one of the two non-executive directors was not independent of management and was not free from any business or other relationship which could materially interfere with the exercise of his independent judgement. This remained the case until the end of the year.

B 1.4 The remuneration package of senior executives did not include performance related elements throughout the year.

B 2.1/2.2 The Remuneration Committee did not consist solely of independent non-executive directors throughout the year.

D 2.1 The directors did not complete a formal review of the effectiveness of the Group's system of internal controls during the year.

D 3.1 There were two independent non-executive directors who sat on the Audit Committee rather than three for the period to 24 July 2000. After this time and until the year end the Board comprised one independent non-executive director and one non-independent non-executive director.

Report of the Board to the Shareholders on Directors' remuneration

Compliance

The Company established a Remuneration Committee during 1996 to replace the ad hoc committee, which had existed for some years to discuss and agree the remuneration of executive directors and senior executives. The constitution and operation of the Committee are in compliance with the principles incorporated in the Combined Code issued by the UK Listing Authority, except that the committee will be unable to be composed solely of independent non-executive directors whilst the Company has only one such director. The role of the committee is set out further in the Corporate Governance statement on page 7.

Membership

The membership of the Remuneration and Appointments Committee throughout the year is set out in the Corporate Governance statement on page 8.

The Committee experienced significant changes in membership as a result of changes to the Board of Directors. From 24 July the Committee comprised solely non-executive directors, only one of whom is independent.

Policy on remuneration of executive directors and senior executives

The Committee aims to ensure that remuneration packages offered are competitive and appropriate to attract, retain and motivate executive directors and senior executives of the right calibre.

The main components of the remuneration package are fees and basic salary, determined by taking into account both the performance of the individual and information from various sources on the rates prevailing for similar jobs in comparable companies. There is no formalised basis for annual bonus payments. Executive directors and senior executives participate in a defined contribution pension scheme, which is available to all eligible employees upon invitation.

The Committee believes that share ownership by executive directors and senior executives strengthens the link between their personal interests and those of the shareholders. However the Group does not currently include any element of share options or performance related pay in remuneration packages.

It is the policy of the Company to offer its directors and senior executives service contracts appropriate to the individual circumstances of employment, but also on a basis that it considers to be in line with current market expectations.

Details of directors' emoluments are shown in Note 5.

Directors' service contracts

The Initial Period of the Chairman and Chief Executive's contract was for the period ended 31 December 2000 and thereafter continues on 3 calendar months notice. Negotiations for a new contract were completed during May 2001 to the satisfaction of the non-executive directors. At the time of negotiation only one non-executive director could be considered to be independent. The new contract extends the term of the previous contract to 30 April 2002 and thereafter has a notice period of 3 calendar months. The new contract provides for remuneration of not less than £90,000 per annum and for services as both Chairman and Chief Executive with an agreed minimum commitment.

The non-executive directors' contracts have notice periods of 3 months.

Details of directors who are proposed for re-election at the forthcoming Annual General Meeting are given in the Directors' Report.

Report of the **Board** to the **Shareholders** on **Directors' remuneration** (continued)

Directors' interests

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		
	3.05.01	31.12.00	31.12.99	3.05.01	31.12.00	31.12.99
R. B. Ritchie	22,500	22,500	22,500	-	-	-
J. S. Ferguson	1,000	1,000	1,000	-	-	-
S. D. Hudd	250	250	250	-	-	2,000
	23,750	23,750	23,750	-	-	2,000

Mr. R. Ritchie also has interests in phantom options over ordinary shares in the capital of the Company through his interests in Lassiter Pty Ltd, and Wilmington and shares in Nonferral through his interests in Wilmington as detailed in Note 35.

J. S. Ferguson is a director of the Company and its subsidiary Company A. Cohen & Co (Great Britain) Ltd. Mr Ferguson is managing director of A. Cohen (UK) Ltd, which is a subsidiary of NFR. He has an interest in 6,400 ordinary shares in NFR which are listed on the Australian Stock Exchange and 1,600 31 July 2001 A$0.50 options in NFR, 60,000 1 January 2003 A$0.50 options and 20,000 1 January 2006 A$0.30 options both of which are issued under the NFR Executive Option Plan.

The directors have no beneficial interests in the shares of the Company's subsidiary undertakings.

By order of the Board

R. J. Sincock
Chairman, Remuneration and Appointments Committee
[18] May 2001

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 Company and the Group 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 accounts 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 Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors' report to the members

We have audited the financial statements on pages 15 to 34 which have been prepared under the accounting policies set out on pages 20 and 21.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 13 the preparation of the financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, the UK Listing Authority, and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding directors' remuneration and transactions with the Company and other members of the Group is not disclosed.

We review whether the corporate governance statement on pages 7 to 10 reflects the Company's compliance with those provisions of the Combined Code specified for our review by the UK Listing Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls or to form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 and the Group, 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 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 and the Group as at 31 December 2000 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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

18 May 2001

Consolidated profit and loss account

Year ended 31 December 2000

	Note	2000 Continuing Activities £'000	2000 Discontinued Activities £'000	2000 Total £'000	1999 Continuing Activities £'000	1999 Discontinued Activities £'000	1999 Total £'000
Turnover	3	12,126	32,861	44,987	14,345	56,922	71,267
Cost of sales		(11,057)	(30,046)	(41,103)	(12,512)	(52,246)	(64,758)
Gross profit		1,069	2,815	3,884	1,833	4,676	6,509
Distribution costs		(76)	(905)	(981)	(396)	(1,187)	(1,583)
Administrative expenses:							
Exceptional items		-	-	-	47	(1,119)	(1,072)
Other items		(992)	(1,841)	(2,833)	(2,824)	(4,245)	(7,069)
Total administrative expenses		(992)	(1,841)	(2,833)	(2,777)	(5,364)	(8,141)
Other operating income		-	130	130	-	169	169
Operating profit/(loss)	3,4	1	199	200	(1,340)	(1,706)	(3,046)
Investment Income	6			29			-
Interest receivable				47			49
Interest payable	7			(235)			(855)
Profit on sale of fixed assets	8			100			31
Loss on sale and termination of operations	9			(3,611)			-
Cost of fundamental reorganisation	10			-			(824)
Loss on ordinary activities before taxation				(3,470)			(4,645)
Tax (charge)/credit on loss on ordinary activities	11			-			(52)
Loss on ordinary activities after taxation				(3,470)			(4,697)
Equity minority interests	25			(149)			82
Loss for the financial year attributable to shareholders	23			(3,619)			(4,615)
Losses per share (pence) both basic and diluted	12			(216.0p)			(279.4p)

Consolidated balance sheet

31 December 2000

	Note	2000	1999
		£'000	£'000
Fixed assets			
Tangible assets	13	1,271	10,117
Investments	14	335	335
		1,606	10,452
Current assets			
Current asset investments	15	1,336	-
Stocks	16	387	6,872
Debtors	17	2,455	12,228
Cash at bank and in hand		56	720
		4,234	19,820
Creditors: amounts falling due within one year	18	(5,392)	(23,560)
Net current liabilities		(1,158)	(3,740)
Total assets less current liabilities		448	6,712
Creditors: amounts falling due after more than one year	19	-	(1,316)
Provisions for liabilities and charges	20	-	(627)
		448	4,769
Capital and reserves			
Called up share capital	21	344	331
Capital redemption reserve	22	49	49
Share premium account	22	244	219
Revaluation reserve	22	752	2,761
Other reserves	22	383	3,693
Profit and loss account	22	(1,324)	(3,462)
Equity shareholders' funds		448	3,591
Equity minority interests	21	—	1,178
		448	4,769

These financial statements were approved by the Board of Directors on 18 May 2001. Signed on behalf of the Board of Directors.

R. B. Ritchie
Chairman

Balance sheet

31 December 2000

	Note	2000	1999
		£'000	£'000
Fixed assets			
Investments	14	388	2,894
		388	2,894
Current assets			
Current asset investments	15	1,336	-
Debtors	17	1,005	325
		2,341	325
Creditors: amounts falling due within one year	18	(2,219)	(1,250)
Net current liabilities		122	(925)
Total assets less current liabilities		510	1,969
Capital and reserves			
Called up share capital	21	344	331
Capital redemption reserve	22	49	49
Share premium account	22	244	219
Other reserves	22	252	252
Profit and loss account	22	(379)	1,118
Equity shareholders' funds		510	1,969

These financial statements were approved by the Board of Directors on 18 May 2001. Signed on behalf of the Board of Directors.

R. B. Ritchie
Chairman

Consolidated cash flow statement

Year ended 31 December 2000

	Note	2000	2000 Total	1999	1999 Total
		£'000	£'000	£'000	£'000
Net cash outflow from operating activities	25		(1,566)		(1,187)
Returns on investments and servicing of finance					
Investment income		29		-	
Interest received		48		49	
Interest paid		(233)		(750)	
Interest element of finance lease rental payments		(2)		(105)	
Net cash outflow from returns on investments and servicing of finance			(158)		(806)
Taxation					
Corporation tax paid (including advance corporation tax)		-		-	
Tax paid			-		-
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(780)		(1,076)	
Receipts from sale of tangible fixed assets		657		891	
Net cash outflow from capital expenditure and financial investment			(123)		(185)
Acquisitions and disposals					
Sale of subsidiary undertaking		273		-	
Net overdraft disposed of with subsidiary		486		-	
Net cash inflow from acquisitions and disposals			759		-
Net cash outflow before financing			(1,088)		(2,178)
Financing					
Issue of ordinary share capital in subsidiary Company to minority		1,871		860	
Issue of ordinary share capital		38		-	
Increase in borrowings		1,731		2,214	
Repayment of borrowings		(163)		-	
Capital element of finance lease rental payments		(37)		(276)	
Net cash inflow from financing			3,440		2,798
Increase in cash	26		2,352		620

Statement of total recognised gains and losses

Year ended 31 December 2000

	2000	1999
	£'000	£'000
Loss attributable to members of the Company	(3,619)	(4,615)
Loss on deemed disposal of subsidiaries	(565)	(400)
Currency translation differences on foreign currency net investments	(260)	624
Total recognised gains and losses relating to the year	(4,444)	(4,391)

Reconciliation of movements in shareholders' funds

Year ended 31 December 2000

	2000	1999
	£'000	£'000
Loss attributable to members of the Company	(3,619)	(4,615)
Other recognised gains and losses relating to the year (net)	(825)	224
Issue of share capital	38	-
Goodwill transferred to profit and loss account in respect of the disposal of a business	1,263	-
Net reduction in shareholders' funds	(3,143)	(4,391)
Opening shareholders' funds	3,591	7,982
Closing shareholders' funds	448	3,591

Note of historical cost profits and losses

Year ended 31 December 2000

	2000	1999
	£'000	£'000
Loss on ordinary activities before taxation	(3,470)	(4,645)
Realisation of revaluation	1,994	-
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	15	40
Historical cost loss on ordinary activities before taxation	(1,461)	(4,605)
Historical cost loss for the year after taxation, minority interests and dividends	(1,610)	(4,575)

Notes to the accounts

Year ended 31 December 2000

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 preparation of the financial statements

The financial statements are prepared on the basis that the Company and all subsidiary undertakings are operating as going concerns. This basis of preparation has been adopted, despite the financial difficulties arising from the losses of the Company over many years. As a result the Company has sold a number of its assets and entered into an underwriting agreement for a substantial increase in the capital of the Company which will enable the Company to eliminate most if not all of its debt.

In advance of the necessary approvals the Company has received a deposit from the purchaser of its largest asset and further loans which will enable the Company to finance its activities and its remaining subsidiary undertakings until completion of the above transactions.

Details of these transactions are set out in the post balance sheet events in note 2.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all subsidiary undertakings for the financial year ended 31 December 2000.

Financial Instruments

The Group does not enter into speculative derivative contracts. Any derivative instruments for foreign exchange contracts or derivatives instruments for metals are used for hedging purposes to alter the risk profile of an existing underlying exposure of the Group in line with the Group's risk management policies. As at the end of the financial year the Group was not using any such contracts.

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 subsidiaries:

The financial statements of overseas subsidiaries 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.

Acquisitions and disposals

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 capitalised and amortised over its useful economic life on a straight line basis.

The profit or loss on disposal or closure of a previously acquired business includes the attributable amount of any purchased goodwill relating to that business not previously charged through the profit and loss account.

The results and cashflows relating to a business are included in the consolidated profit and loss account and the consolidated cash flow statement from the date of acquisition or up to the date of disposal.

Tangible fixed assets

It is the Group's policy to include specified assets at a valuation.

The Group has adopted Financial Reporting Standard No 15 "Tangible Fixed Assets" during the year and has decided not to continue with a policy of revaluation. The Group has therefore complied with the transitional provisions set out within the standard. Accordingly the Group is not seeking to update the valuation of assets previously revalued.

Depreciation is not provided on freehold land. Depreciation is provided on cost or on revalued amounts over the estimated useful lives of the assets. 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*
Fixtures, fittings, tools and equipment	*15% per annum on written down value*
Motor vehicles	*25% and 30% per annum on written down value*

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

Turnover

Turnover represents the amounts derived from the sale of goods which fall within the Group's ordinary activities after deduction of trade discounts and VAT.

Fixed asset investments

Fixed asset investments held as fixed assets are stated at cost less provision for impairment.

Investments in which the Group has shareholdings of between 20% and 50% are only equity accounted where the Group has significant influence over the operations.

Current asset investments

Current asset investments are held at the lower of cost and net realisable 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.

Pension costs

UK pension scheme:

The Company makes payments into a defined contribution scheme, and these amounts are charged to the profit and loss account during the year.

Overseas pension scheme:

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. The overseas pensions scheme was disposed of as part of the Group's disposal of its subsidiary Nonferral Recyclers Ltd.

2. POST BALANCE SHEET EVENTS

Extraordinary General Meeting

An EGM of the Company is to be held on [11] June 2001 to consider proposals relating to the restructuring and refinancing of the Group.

As announced to shareholders on 24 July 2000 the Company has sold 1,100,000 shares in Nonferral Recyclers Ltd ("NFR") at a price of A$0.26 per share which resulted in NFR ceasing to be a subsidiary of the Company from that date.

The Board has also received and accepted offers from Wilmington Pty Ltd, a Company associated with Mr Royce Ritchie, for 6.0 million shares and 7.95 million options in NFR and 10 million shares in NFR currently owned by the Company at a total price of A$0.26 each per share inclusive of the options in relation to which Wilmington paid an interest free deposit of A$1 million on 24 July 2000 with the balance of A$3.16 million being payable by Wilmington to the Company upon shareholder approval. Completion of the transactions with Wilmington Pty Ltd is subject to shareholder approval in the United Kingdom. The transactions with Wilmington Pty Ltd have received necessary approvals in Australia and approval by the shareholders of NFR.

Wilmington Pty Ltd also purchased on 24 July 2000 the entire secured banking syndicate debt of the Company amounting to £1,092,490 and on 29 December 2000 made a further interest bearing unsecured advance of A$560,000 to the Company.

Contemporaneously with the approval of the sale of the shares and options in NFR, Wilmington will complete the transaction for the sale of the shares and options the proceeds of which will be applied to the reduction in debt to Wilmington. In addition the EGM will deal with proposals by the directors for the enfranchisement of the "A" Class non-voting shares by the granting of one free share for every six shares to shareholders then holding fully paid ordinary shares and a change in the memorandum and articles of association to reflect same. The meeting will also seek the approval for a 6 for 1 rights issue at 25 pence per share which issue has been fully underwritten by Old Mutual Securities Ltd.

Full details of the agreements and proposals are available to the shareholders as part of the prospectus being issued on the date hereof.

Jacob Metals Limited

Since 31 December 2000 a subsidiary of NFR, A. Cohen (UK) Ltd has provided unsecured short term advances of £316,328 and US$ 609,000 at an interest rate of 18% per annum and with the condition that the Company offer A. Cohen (UK) Ltd the right of first and last refusal for the purchase of or subscription of capital to Jacob Metals Ltd in the event that the Company wishes to dispose of or issue capital in Jacob Metals Ltd to unrelated parties.

Notes to the accounts (continued)

Year ended 31 December 2000

3. ANALYSIS OF GROUP TURNOVER, LOSS BEFORE TAXATION AND NET ASSETS

The principal activity of the Group is the manufacture and sale of non-ferrous metal ingots and other smelted products and the reclamation and trading of recyclable materials.

The geographical analysis of turnover, loss before taxation and net assets is as follows:

	(Loss)/profit before taxation		Net assets		Turnover (by source)		Turnover (by destination)	
	2000	1999	**2000**	1999	**2000**	1999	**2000**	1999
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
United Kingdom	**(3,782)**	(3,506)	**448**	(1,040)	**16,385**	20,868	**6,718**	8,800
Rest of Europe		-	**-**	-		-	**2,664**	4,109
Asia		-	**-**	-		-	**11,832**	6,439
Africa		-	**-**	-		-	**135**	3,139
North America		-	**-**	-		-	**718**	305
Middle East		-	**-**	-		-	**712**	44
Australia	**312**	*(1,117)*	**-**	5,751	***28,088***	*49,106*	***21,694***	*44,232*
New Zealand	**-**	(22)	**-**	58	**514**	1,293	**514**	4,199
Total	**(3,470)**	(4,645)	**448**	4,769	**44,987**	71,267	**44,987**	71,267

4. OPERATING LOSS

	2000	1999
	£'000	£'000
Operating loss is stated after charging:		
Depreciation - owned assets	**391**	976
Depreciation - leased assets	**177**	321
Amortisation	**-**	66
Rentals under operating leases:		
Hire of plant and machinery	**24**	-
Land and buildings	**127**	168
Auditors' remuneration:		
Audit fees - Company	**10**	17
Audit fees - Other Group companies	**85**	97
Other - Company	**14**	-

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' emoluments

	Basic Salary	Fees	Benefits	Total emoluments excluding pensions 2000	Total emoluments excluding pensions 1999	Pensions 2000	Pensions 1999
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Executive							
R. Ritchie	-	205	-	205	181	-	-
C. A. Cohen	5	-	1	6	65	1	10
R. O. Cohen	30	-	3	33	68	6	10
S. Redman	43	-	5	48	83	6	10
Non-executive							
B. R. Weatherill	7	-	-	7	8	-	-
S. D Hudd	18	-	-	18	8	-	-
J. S. Ferguson	-	-	-	-	67	-	5
	103	205	9	317	480	13	35

The emoluments of Mr. R. Ritchie include his remuneration as Executive Chairman and Chief Executive of the Company charged by his employer Royce Ritchie & Associates Pty Ltd for the services of R.Ritchie and other staff of Royce Ritchie & Associates Pty Ltd including incentive arrangements.

The emoluments of all directors are for their period as a director and do not include the period during which they were employees and not a director.

There were three directors for whom the Company made pension contributions during the year under a money purchase scheme funded by the Group (1999 - Four Directors).

	2000	1999
	No.	No.
Average number of persons employed		
Office and management	46	82
Manufacturing	137	297
	183	379
	£'000	£'000
Staff cost during the year (including directors)		
Wages and salaries	3,425	6,127
Social security costs	101	220
Pension costs (see Note 29)	234	115
	3,760	6,462

6. INVESTMENT INCOME

	2000	1999
	£'000	£'000
Amounts received from other fixed assets investments	29	-

7. INTEREST PAYABLE

	2000	1999
	£'000	£'000
Bank loans, overdrafts and other loans repayable within five years	233	750
Finance lease interest	2	105
	235	855

Notes to the accounts (continued)

Year ended 31 December 2000

8. PROFIT ON SALE OF FIXED ASSETS

During the year the Group sold its Aluminium operations in Glasgow. Assets with net book value of £557,000 were sold for cash consideration of £657,000.

9. LOSS ON SALE AND TERMINATION OF OPERATIONS

As a result of agreements entered into pursuant to the restructuring, the Group;

(i) has diluted its holding in Nonferral Recyclers Limited from 72% to 52% following the flotation of the Company and resulting issue of shares to minorities. The Group suffered a deemed loss on disposal of £564,835 which was taken directly to the profit and loss reserve (see Note 22);

(ii) has further reduced its shareholding in Nonferral Recyclers Limited from 52% to 49% through a direct sale of shares for consideration of A$286,000; and

(iii) has conditionally sold the balance of its holding in Nonferral Recyclers Ltd for A$4,160,000.

Accordingly, Nonferral Recyclers Pty Limited is no longer a subsidiary of the Company and the directors have resolved to carry its remaining shareholding in that Company as a current asset investment (see Note 15) pending consideration of the proposals to be put to shareholders at an Extraordinary General Meeting to be held on [11] June 2001.

As part of the arrangements entered into pursuant to the restructuring of the Group, the Company's 45% interest in Silec Pty Limited was also sold in July 2000 for a cash consideration.

The profits and losses incurred pursuant to these arrangements, which are summarised below, represent the difference between the carrying value of the remaining shareholding in Nonferral Recyclers Limited and the net book value of the assets disposed converted into sterling.

	Note	Nonferral	Silec	Total
		£'000	£'000	£'000
Net book value of assets/(liabilities) disposed Group's share of net assets/(liabilities)	28	4,009	(52)	3,957
Reinstatement of goodwill previously written off to reserves	22,28	1,263	-	1,263
		5,272	(52)	5,220
Less remaining current asset investment		(1,336)	-	1,336
		3,936	(52)	3,884
Less cash proceeds received		(106)	(167)	(273)
Loss/(profit) on sale and termination of operations		3,830	(219)	3,611

10. COST OF FUNDAMENTAL REORGANISATION

	2000	1999
	£'000	£'000
Cost of fundamental reorganisation	-	(824)

In December 1999 the Board reviewed the activities of the Company and resolved that the loss-making plant at Woolwich should be restructured in order to focus on profitable activity related to the production of phosphor copper plate and shot.

As at 31 December 2000 the reorganisation had been completed and no further charges to the profit and loss account were required during the current year.

11. TAX (CREDIT)/CHARGE ON LOSS ON ORDINARY ACTIVITIES

	2000	1999
	£'000	£'000
United Kingdom corporation tax at 31% (1998 - 31%)	-	-
Overseas taxation	-	(52)
	-	(52)

There is no tax charge in the year as the Group has brought forward losses available and has made losses in the year.

12. LOSSES PER SHARE

The calculation of losses per share is based on losses attributable to shareholders of £3,619,000 (1999 - loss of £4,615,000) and on the weighted average number of shares of 1,675,435 (1999 - 1,652,102) in issue during the year.

There were no diluting instruments at the year end. There is therefore no difference between diluted and non-diluted losses per share.

13. 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 2000	4,315	803	10,408	1,379	16,905
Exchange adjustment	(111)	-	(268)	(36)	(415)
Additions	143	-	966	137	1,246
Disposed of with subsidiaries	(4,035)	-	(9,686)	(1,311)	(15,032)
Disposals	(312)	-	(468)	(83)	(863)
At 31 December 2000	**-**	**803**	**952**	**86**	**1,841**
Accumulated depreciation					
At 1 January 2000	58	101	5,663	966	6,788
Charge for the year	26	17	428	97	568
Disposed of with subsidiaries	(72)	-	(5,471)	(937)	(6,480)
Disposals	(12)	-	(244)	(50)	(306)
At 31 December 2000	**-**	**118**	**376**	**76**	**570**
Net book value					
At 31 December 2000	**-**	**685**	**576**	**10**	**1,271**
At 31 December 1999	4,257	702	4,745	413	10,117

The short leasehold property was formerly valued by D T Z Debenham Thorpe, Chartered Surveyors on an existing use basis in 1995 as being £1.1 million. Subsequently the directors took the decision to reduce its carrying value by £300,000.

Group	Freehold land and buildings £'000	Short leasehold property £'000	Plant and machinery £'000	Fixtures, fittings and motor vehicles £'000	Total £'000
Comparable amounts determined according to the historical cost convention:					
Cost	-	772	952	86	989
Accumulated depreciation	-	18	376	76	470
Net book value					
At 31 December 2000	**-**	**113**	**576**	**10**	**519**
At 31 December 1999	1,842	115	4,745	413	7,115

Included in the net book value of plant and machinery is £64,123 (1999 - £1,466,000) in respect of assets held under finance leases. Depreciation for the year on these assets was £176,769 (1999 - £321,000).

Notes to the accounts (continued)

Year ended 31 December 2000

14. INVESTMENTS HELD AS FIXED ASSETS

	Other investments
The Group	£'000
Valuation	
At 1 January 2000 and 31 December 2000	335

The other trade investments were previously accounted for as associates. Upon reclassification as trade investments their value was frozen in accordance with the Group's accounting policy.

	Shares in subsidiary undertakings	Trade Investment	Loan notes	Total
The Company	£'000	£'000	£'000	£'000
Cost				
At 1 January 2000	2,131	155	1,078	3,364
Disposals	(92)	-	(1,078)	(1,170)
Reclassified (see note 15)	(1,336)	-	-	(1,336)
At 31 December 2000	703	155	-	858
Provisions				
At 1 January 2000	470	-	-	470
At 31 December 2000	470	-	-	470
Net Book Value				
At 31 December 2000	233	155	-	388
At 31 December 1999	1,661	155	1,078	2,894

15. CURRENT ASSET INVESTMENTS

	2000	1999
	£'000	£'000
Other listed investment	1,336	-

The current asset investment represents the Group's remaining shareholding in Nonferral Recyclers Ltd. This is carried at cost, which is lower than the net realisable value based on the agreed price included in the conditional sale agreement with Wilmington Pty Ltd. The sale is conditional upon shareholders' approval, see Note 2. The agreed sale price of A$0.26 per share is in excess of the open market value quoted on the Australian Stock Exchange which at 31 December 2000 was A$0.27 per share and at 30 April 2001 was A$0.16 per share.

16. STOCKS

	2000	1999
	£'000	£'000
Raw materials and consumables	107	3,544
Work in progress	-	33
Finished goods and goods for resale	280	3,295
	387	6,872

Notice of meeting

Notice is hereby given that the Eighty-ninth Annual General Meeting of A. Cohen & Co. plc will be held at Level 6, Hill House, 1 Little New Street London EC4A 3TR, on [18] June 2001 at 10.00am for the following purposes:

1. To receive and adopt the accounts of the Company for the year ended 31 December 2000 and the reports of the directors and auditors thereon.
2. To re-elect Mr J.S. Ferguson who retires by rotation in accordance with Article 100.
3. To re-elect Mr R.J. Sincock who offers himself for re-election in accordance with Article 72.
4. To re-appoint the auditors, Deloitte & Touche.
5. To fix the auditors' remuneration.

By order of the Board

J. D. Jones
Company Secretary
Purland Road, London SE28 0AT
18 May 2001

Notes:

(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 Purland Road, London SE28 OAT.

(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.

17. DEBTORS

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Trade debtors	2,332	11,196	-	11
Amounts owed by Group undertakings	-	-	969	285
Other debtors	34	516	23	29
Prepayments and accrued income	89	516	13	-
	2,455	12,228	1,005	325

18. CREDITORS: amounts falling due within one year

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Bank loans wholly repayable within one year	-	6,506	-	234
Bank overdrafts	20	3,060	-	-
Other loans repayable within one year	1,395	52	1,395	52
Obligations under finance leases (Note 24)	71	449	-	-
Trade creditors	1,467	7,682	159	-
Amounts owed to Group undertakings	-	-	-	200
Other taxes and social security	98	85	34	-
Other creditors	2,011	3,627	468	-
Accruals and deferred income	330	2,099	163	764
	5,392	23,560	2,219	1,250

Other loans include amounts due to related parties of £1,131,000 (1999 - £nil), which is secured by a fixed and floating charge over the assets of the Company and £212,000 (1999 - £nil) representing an unsecured loan (see Note 35). Amounts in other creditors totalling £1,153,458 (1999 - £1,263,765) are secured by a first fixed charge over the trade debtors of A Cohen & Co (GB) Limited and Jacob Metals Ltd and an amount of £388,000 (1999 - £nil) is secured by a fixed and floating charge over the assets of the Company (refer Note 35).

19. CREDITORS: amounts falling due after more than one year

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Obligations under finance leases (Note 24)	-	861	-	-
Loan Notes	-	438	-	-
Other	-	17	-	-
	-	1,316	-	-

The loan notes held at 31 December 1999 were disposed of with a subsidiary during the year.

20. PROVISIONS FOR LIABILITIES AND CHARGES

Provision for Group Restructuring

	£'000
At 1 January 2000	627
Released	(627)
At 31 December 2000	-

The provision for Group restructuring was set up in 1999 as a result of the decision taken to discontinue certain operations at the Woolwich foundry. This restructuring was carried out in 2000 and the provision fully utilised.

21. SHARE CAPITAL

	2000		1999	
Authorised:	Number	£'000	Number	£'000
Ordinary shares of 20p each	**1,500,000**	**300,000**	1,500,000	300,000
Non-voting 'A' ordinary shares of 20p each	**1,500,000**	**300,000**	1,500,000	300,000
	3,000,000	**600,000**	3,000,000	600,000
Allotted, called up and fully paid:				
Ordinary shares of 20p each	**862,552**	**172,510**	792,552	158,510
Non-voting 'A' ordinary shares of 20p each	**859,550**	**171,910**	859,550	171,910
	1,722,102	**344,420**	1,652,102	330,420

During the year 70,000 ordinary shares with nominal value of £0.20 were issued for cash consideration of £0.55 each, giving an aggregate nominal value of £14,000 and total consideration of £38,500.

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

22. RESERVES

	Capital redemption reserve	Share premium account	Revaluation reserve	Other reserves	Profit and loss account
Group	£'000	£'000	£'000	£'000	£'000
At 1 January 2000	49	219	2,761	3,693	(3,462)
Exchange differences	-	-	-	-	(260)
Loss for the year	-	-	-	-	(3,619)
Issue of ordinary share capital	-	25	-	-	-
Loss on deemed disposal of Nonferral	-	-	-	-	(565)
Goodwill transferred to the profit and loss account in respect of disposal of the business	-	-	-	-	1,263
Transfer of realised revaluation reserve	-	-	(1,994)	-	1,994
Transfer of amount equivalent to additional depreciation on revalued assets	-	-	(15)	-	15
Transfer from other profit and loss reserve	-	-	-	(3,310)	3,310
At 31 December 2000	49	244	752	383	(1,324)

	Capital redemption reserve	Share premium account	Other reserves	Profit and loss account
Company	£'000	£'000	£'000	£'000
At 1 January 2000	49	219	252	1,118
Loss for the year	-	-	-	(1,497)
Issue of ordinary share capital	-	25	-	-
At 31 December 2000	**49**	**244**	**252**	**(379)**

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 loss after tax of the parent undertaking for the financial year amounted to £1,496,578 (1999 - loss of £2,738,470).

23. MINORITY INTEREST

	2000
	£'000
At 1 January 2000	(1,178)
Exchange rate movements	132
Minority interest in ordinary activities	(149)
Increase in minority investment in Nonferral Recyclers Pty Ltd	(2,436)
Disposal of Group companies	3,631
At 31 December 2000	-

24. FINANCIAL COMMITMENTS

At 31 December 2000, the Group had no capital commitments in respect of the purchase of machinery and equipment (1999 - £nil).

The Group has an annual commitment of £22,800 per year under an operating lease for land and buildings, which expires after more than five years.

The maturity of obligations under finance leases is as follows:

	2000	1999
	£'000	£'000
Within one year	77	480
Between one and two years	-	444
Between two and five years	-	544
	77	1,468
Less: future finance charges	(6)	(158)
	71	1,310

25. CASH FLOW STATEMENT: Reconciliation of operating loss to net cash outflow from operating activities.

	2000	1999
	£'000	£'000
Operating profit/(loss)	200	(3,046)
Cash flow relating to fundamental reorganisation	-	(196)
Depreciation	568	1,297
Amortisation	-	66
Net movement in working capital		
Stocks	(192)	(793)
Debtors	(2,802)	(2,044)
Creditors	660	3,529
Net cash outflow from operating activities	(1,566)	(1,187)

Notes to the accounts (continued)

Year ended 31 December 2000

26. CASH FLOW STATEMENT: Analysis of net debt

	At 1 January 2000	Cash flow	Disposals excluding cash and overdrafts	Non cash movements	Exchange movement	At 31 December 2000
	£'000	£'000	£'000	£'000	£'000	£'000
Cash in hand and at bank	720	(645)	-		(19)	56
Overdrafts	(3,060)	2,997	-		43	(20)
	(2,340)	2,352	-		24	36
Debt due after one year	(438)	-	438		-	-
Debt due within one year	(6,558)	(1,568)	5,977		366	(1,783)
Finance leases	(1,310)	37	1,643	(466)	25	(71)
	(10,646)	821	8,058	(466)	415	(1,818)

27. CASH FLOW STATEMENT: Reconciliation of net cash flow to movement in net debt

	2000	2000	1999	1999
	£'000	£'000	£'000	£'000
Increase in cash in the year	2,352		620	
Cash inflow from increase in debt and lease financing	(1531)		(1,938)	
Change in net debt resulting from cash flows		821		(1,318)
Loans and finance leases disposed with subsidiary		8,058		-
New finance leases		(466)		(357)
Translation differences		415		766
Movement in net debt in the year		8,828		(909)
Net debt at start of year		(10,646)		(9,737)
Net debt at end of year		(1,818)		(10,646)

28. CASH FLOW STATEMENT: Disposal of subsidiary undertakings

	£'000
Net assets disposed of	
Tangible fixed assets	8,552
Stocks	6,368
Debtors	12,002
Cash at bank and in hand	403
Creditors	(10,790)
Bank overdrafts	(889)
Loans and finance leases	(8,058)
Minority interest	(3,631)
	3,957
Remaining current asset investment	(1,336)
Reinstate goodwill written off	1,263
Loss on disposal	(3,611)
	273
Satisfied by:	
Cash	273

29. 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.

	2000	1999
	£'000	£'000
Contribution		
UK – defined contribution scheme	34	30
Overseas schemes	29	85
	63	115

Overseas schemes

The overseas schemes consist of a funded defined benefit scheme and a defined contribution schemes, both of which were disposed of with Nonferral Recyclers Ltd.

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 latest professional actuarial valuation was at 31 December 1999.

30. FINANCIAL INSTRUMENTS

The Group's policies as regards derivatives and financial instruments are set out below.

Currency Risk

The Group has investments in foreign currencies and transactional currency exposures arising from sales or purchases by operating businesses in currencies other than the business' functional currency.

During the year the Group ceased the use of forward contracts to hedge its foreign currency exposures. As at the year end there were no open hedging positions.

Commodity Price Risk

By the nature of the Group's operations it is exposed to movements in certain metal prices. Sale and purchase contracts are set out with reference to quoted commodity prices and often have considerable lead times. The Group's exposure is almost entirely with relation to copper.

The Group has not used any instrument on contracts in order to hedge any of its commodity price exposures during the year. Positions that were held open at the end of the prior year were closed at no material gain or loss to the Group.

Interest Rate Risk

The Group is currently seeking to normalise its financing and banking arrangements through restructuring. As a result of a prolonged period of losses the main debt financing is currently through loans in the UK and Australia. These loan obligations are fixed or subject to floating interest rates, which follow UK base rates as set out in note 31 below.

31. INTEREST RATE RISKS

Interest rate and currency of financial liabilities

	Floating rate Borrowings	Fixed rate Borrowings	Total	Interest rate
At 31 December 2000	£'000	£'000	£'000	
Sterling				
First Wilmington loan	1,131	-	1,131	Variable 2% above base rate
Lombard Finance	1,153	-	1,153	Variable 3% above base rate
Australian $				
Wilmington interest free deposit advance (A$ 1,000,000)	-	-	388	0%
Second Wilmington loan (A$ 560,000)	-	212	212	Fixed 8.5%

Notes to the accounts (continued)

Year ended 31 December 2000

	Floating rate Borrowings	Fixed rate Borrowings	Total	Interest rate
At 31 December 1999	Local '000	Local '000	£'000	
Sterling				
Bank Overdraft/Loans	2,187	-	2,187	7.00%
Australian $				
Bank Overdraft/Loans	18,175	-	7,379	7.25%
Convertible notes Nonferral				
Due to Parent	-	2,694	1,094	8.50%
Other	-	1,080	438	8.50%

The floating rate borrowings are linked to the base rates in the UK. Short term debtors and creditors are excluded from this analysis. Cash balances are all held on non interest bearing bank accounts.

There are no differences between book value and fair value of the Group's monetary assets and liabilities.

32. HEDGING

Foreign Currency Hedging

The Group ceased the hedging of its foreign exchange exposure during the year. As at the balance sheet date the Group had no open positions. The Group's exposure to foreign exchange is set out below.

Foreign Investments

Fixed asset investment

The value of the investments in the Speedmark Industries (Proprietary) Limited and Metal Sales (PVT) Ltd are not hedged.

Current asset investment

The Group has entered into a conditional sale agreement to sell its remaining shareholding in Nonferral Recyclers Pty Limited at A$0.26 a share. The Group remains exposed to foreign exchange fluctuations for this amount after adjustment for the deposit and A$ borrowings.

33. CURRENCY PROFILE

The main functional currencies of the Group are sterling. The following analysis of net monetary assets and liabilities shows the Group's currency exposures. Such exposures comprise the monetary assets and monetary liabilities of the Group that are not denominated in the operating (or 'functional') currency of the operating unit involved.

	2000				1999		
	Australian $	Singapore $	US $	European currencies	Australian $	US $	European currencies
Operating Currency	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sterling	(396)	8	363	460	85	36	(136)

34. PRINCIPAL SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

SUBSIDIARY UNDERTAKINGS

Country of incorporation	Operation	Class of Share held	Interest in Equity
GREAT BRITAIN			
A. Cohen & Co. (GREAT BRITAIN) LTD.	Production of copper alloy and aluminium alloy ingots and processing of metals.	Ordinary	100%
JACOB METALS LTD.	International metal trading.	Ordinary	100%

All the companies incorporated in Great Britain are registered in England and Wales

TRADE INVESTMENTS

Country of incorporation	Operation	Class of Share held	Interest in Equity
AUSTRALASIA			
NONFERRAL RECYCLERS LTD.	Production of cooper alloy and aluminium alloy ingots and recycling and trading of non-ferrous, ferrous and silver scrap.	Ordinary	49.0%
ZIMBABWE			
METAL SALES COMPANY (PVT). LTD.	Production of copper alloy and aluminium alloy ingots, copper wirebars and lead anodes, 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	37.4%

35. RELATED PARTY TRANSACTIONS

R B Ritchie is Chairman of the Company and a director of its subsidiaries Jacob Metals Ltd, A Cohen (Aust) Pty Ltd and Jacob Metals (South America) Ltd.

R B Ritchie is executive Chairman of Nonferral Recyclers Limited ("NFR") and a director of all of its subsidiaries including Nonferral (UK) Ltd and A Cohen (UK) Ltd.

R B Ritchie is a director or shareholder of the following companies: Royce Ritchie & Associates Pty Ltd, Lassiter Pty Ltd and its subsidiary Midnight Bay Holdings Pty Ltd and its subsidiaries, Melbase Corporation Pty Ltd and Wilmington Pty Ltd.

Royce Ritchie & Associates Pty Ltd has service contracts with A Cohen (Aust) Pty Ltd to provide services of its staff, including R B Ritchie to the Company and NFR.

The 22,500 Ordinary Shares in which R B Ritchie is shown as being interested were acquired in October 1997 at a cost of £6.00 per share and are registered in the name of Melbase Corporation Pty Ltd.

Lassiter Pty Ltd has an interest in 700,000 ordinary shares in NFR, which are listed on the Australian Stock Exchange, and options to subscribe for (i) 250,000 ordinary shares in NFR exercisable at 50 cents per share until 1 January 2003; and (ii) 100,000 ordinary shares in NFR exercisable at 30 cents per share until 1 January 2006, both of which are issued under the NFR Executive Option Plan.

On 24 January 2000, Lassiter Pty Ltd was granted, in consideration of the sum of £1.00, a phantom option which entitles Lassiter to be paid, on exercise at any time prior to 31 December 2004, the amount by which the market price of 82,605 Ordinary Shares of the Company on the date of exercise exceeds 85p per Ordinary Share.

On 24 July 2000, Wilmington purchased the Banking Syndicate debt of the Company amounting to £1,092,500. At balance date the Company was indebted to Wilmington in the sum of £1,131,000 representing the amount of the Banking Syndicate debt plus accrued interest at 2 per cent. above UK base rate.

On 24 July 2000, Wilmington entered into the First Share Sale Agreement for the purchase of 6 million shares and 7.95 million options in NFR from the Company at A$0.26 per share for a total consideration of A$1,560,000 and the Second Share Sale Agreement for the purchase of 10 million shares in NFR from the Company at A$0.26 per share for a total consideration of A$2,600,000. Wilmington also paid an interest free deposit of A$1,000,000 in relation to these purchases which are conditional upon approval by the shareholders of the Company as referred to in Note 2.

On 6 December 2000, Wilmington provided an unsecured loan of A$560,000 to the Company, which remains outstanding together with accrued interest from that date at 8.5 per cent per annum.

On 6 December 2000, Wilmington was granted, in consideration of the provision of unsecured loan monies of up to A$700,000 at 8.5 per cent per annum, a phantom option under a formula which grants Wilmington options over 420,000 shares able to be exercised at 50p per share. The agreement entitles Wilmington to be paid, on exercise at any time prior to 31 December 2004, an amount not exceeding 15p per share. The agreement further provides that the Company seek shareholders' approval for the grant of options on the same terms to replace the phantom option.

On 24 July 2000, Nonferral (UK) Ltd was granted, in consideration of the sum of £1.00, a phantom option which entitles that Company to be paid, on exercise at any time prior to 31 December 2004, the amount by which the market price of 78,500 Ordinary Shares on the date of exercise exceeds 50p per Ordinary Share until shareholders approve the grant of options on the same terms to replace the phantom option.

NFR and its subsidiaries trade with the Company and its subsidiaries and in particular buy phosphor copper shot and plate from A. Cohen & Co (Great Britain) Ltd on commercial terms and buy and sell various lines of copper and aluminium scrap with Jacob Metals Ltd. The total value of transactions between the Groups for the year was £1,004,786, (1999 - £264,152) and as at the year end the Group had an outstanding creditor balance with NFR and its subsidiaries of £53,935.

Notes to the accounts (continued)

Year ended 31 December 1999

Amounts owed to Metal Sales Company (PVT) Limited, a Company in which the Group has a trade investment, at 31 December 2000, were £18,170 (1999: £103,013) and have arisen in the normal course of trading. The Group made purchases from Metal Sales Company (PVT) Limited of £252,397 in 2000 (1999 - £317,000) and made sales of £28,323 (1999 - £nil).

Amounts owed to the associated undertaking Speedmark Industries Limited, a Company in which the Group has a trade investment, at 31 December 2000 were £nil (1999 - £42,000).