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Report and Financial Statements

Year ended 31 December 2001

A.Cohen & Co. plc

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 (appointed Managing Director from 1 June 2002)*
C. Jillings	*Non-Executive (appointed 11 December 2001, resigned 2 April 2002)*
D. Weir	*Non-Executive (appointed 11 December 2001, resigned 2 April 2002)*

Company Secretary

R. Sincock BCom FCA.	Appointed 6 June 2001
D. Jones, BCom AGASA.	Resigned 6 June 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 audited consolidated results for A. Cohen & Co. plc (the "Company") for the year ended 31 December 2001 were announced on 30 April 2002, together with the corresponding results for the year ended 31 December 2000 are set out below.

The result for the year ended 31 December 2001 was a net loss after tax and minority interest of £424,000 (2000 – £3,619,000 loss) from turnover of £9.1 million (2000 – £45.0 million). The loss was after a profit of £222,000 on the sale of investments (2000 – £100,000 profit).

The results were after an extremely difficult second half of the year for the metals recycling and trading business, during which the Company experienced a deteriorating business environment compounded by the impact on the Company of events such as the terrorist attack on the World Trade Centre on 11 September 2001, the subsequent war in Afghanistan and the demise of Enron – all of which contributed to extremely difficult markets.

During the second half of the year, the Group made provision for bad and doubtful debts and the impairment of investments and fixed assets totalling £290,000. The majority of this provision relates to amounts outstanding from prior periods and investments from prior periods.

Activities

Activities now comprise the phosphor copper and associated products sales and production of A. Cohen & Co (Great Britain) Limited which during the latter part of 2001 was scaled back to a three day operation and the international scrap trading business of Jacob Metals Limited, and its subsidiary, Jacob Metals (South America) Limited which operated on a reduced scale due to the prevailing market conditions. Notwithstanding the extremely difficult market conditions, both made positive contributions to the results of the Company prior to the provisions for doubtful debts as set out above.

Investments

The Group has continued to retain the investment in the Woolwich Industrial site and is actively pursuing additional investments to increase the utilisation of the site and to achieve an adequate return thereon.

The investment in Metal Sales Company (PVT.) Limited in Zimbabwe did not make any contribution during the year and no dividends were received. The Group investment in Speedmark Industries Limited in South Africa also provided no return or dividend during the year.

As a consequence of the continual review of the above investments by the Board, the inadequate return from the investments together with political and exchange rate considerations the Board has decided to set aside an amount included in the provisions above for the impairment of those assets and investments.

In the poor market circumstances that existed in the latter half of 2001 and subject to further analysis and investigation of opportunities associated with these assets, the Board deferred decisions in dealing with these assets until the current year. It expects to take positive steps to improve the returns from these investments or otherwise dispose of such assets to utilise the funds for more productive activities.

The Board

Jim Ferguson, a non-executive director, was, as previously announced, appointed to the role of Managing Director of metals and recycling activities effective from 1 June 2002. The active involvement of Jim Ferguson is expected to both improve the returns from the operating businesses of the Group and the investments outlined above.

D. Weir and C. Jillings resigned as Directors on 2 April 2002.

Current Trading and Prospects

The current trading performance of both the phosphor copper and other metals recycling business of A. Cohen & Co. (Great Britain) Limited has improved considerably in both the domestic and international markets during the first quarter of 2002. The trading performance of Jacob Metals Limited has also improved considerably over levels experienced during late 2001. Additional strategies are being pursued to further improve the performance of these activities and additional areas, which will improve the performance of the Group.

The investments in Woolwich, Metal Sales Company (PVT.) Limited and Speedmark Industries Limited continue to be reviewed. Steps are being undertaken to achieve that these investments make the best available contribution to the performance of the Group in the coming year.

The investments in Scott Tod Developments Limited and Money Products International Limited announced on 23 April 2002 are in line with the previously announced strategy of the Group to pursue new and additional opportunities. These particular investments are expected to play a significant role in the future strategy of the Group and contribute to future profitability in fields in which the Company is not already involved and are new areas of activity. The performance from these investments is expected to substantially improve the future performance of the Group.

Conclusion

The Company is looking forward to a much brighter future having completed its consolidation phase during 2001 and now being in the investment and acquisition phase for the future benefit of shareholders. The directors are confident of delivering considerable improvement in the performance of the Company and the net benefit to shareholders for the future. At the date of this report the existing activities of the company made a positive contribution for the initial period of 2002.

I would like to thank my co-directors, managers and employees for their continued efforts during the past difficult year and look forward to a more rewarding period from 2002 onwards.

R.B. Ritchie
Executive Chairman
20 June 2002

Directors' report

The Directors present their annual report and the audited financial statements of A. Cohen & Co. plc for the year ended 31 December 2001.

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 current trading performance of both the phosphor copper and other metals recycling business of A. Cohen & Co. (Great Britain) Limited has improved considerably in both the domestic and international markets during the first quarter of 2002. The trading performance of Jacob Metals Limited has also improved considerably over levels experienced during late 2001. Both companies have made a positive contribution for the initial period of 2002.

Additional strategies are being pursued to further improve the performance of these activities and additional areas which will improve the performance of the Group.

The investments in Scott Tod Developments Limited and Money Products International Limited announced on 23 April 2002 are in line with the previously announced strategy of the Group to pursue new and additional opportunities. These particular investments are expected to play a significant role in the future strategy of the Group and contribute to future profitability in fields in which the Company has not previously been involved and represent new areas of activity. The performance from these investments is expected to substantially improve the future performance of the Group in addition to the above mentioned strategies for the existing trading companies in the Group.

Results and dividends

The loss attributable to members of the Group amounted to £424,000 (2000: £3,619,000) in 2001.

The Directors do not recommend payment of a final dividend (2000: £nil). No interim dividend was paid (2000: £nil).

Post balance sheet events

The investments in Scott Tod Developments Limited and Money Products International Limited, detailed above, are in line with the previously announced strategy of the Group to pursue new and additional opportunities.

Directors

The Directors of the Company who served during the year are shown on page 1.

Mr James Ferguson, a non-executive director, was, as previously announced, appointed to the role of Managing Director of metals and recycling activities effective from 1 June 2002. The active involvement of Jim Ferguson is expected to both improve the returns from the operating businesses of the Group and the investments outlined above.

As previously reported the roles of the Chairman and Chief Executive will be split with the above appointment.

The Board will be further strengthened during 2002 with additional executive and non-executive appointments as the Board's strategy of careful acquisition of profitable and compatible businesses is progressed.

S.D. Hudd resigned on 8 March 2001 and Messrs C. Jillings and D. Weir were appointed Directors on 11 December 2001 and resigned as Directors on 2 April 2002.

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.

Both Mr Ferguson and Mr Sincock were re-elected as Directors at the AGM held on 18 June 2001. Mr Ritchie will offer himself for re-election at the AGM to be held on Tuesday 30 July 2002.

Substantial shareholders

The Directors have been notified of, or are aware of, the following substantial interests in the ordinary shares of 20p each of the Company as at 14 June 2002.

	Number	Per cent
Brewin Nominees Limited	1,053,323	8.0
Fitel Nominees Ltd	572,661	4.4
HSBC Bank International Ltd	3,510,350	26.9
Ionian Nominees Ltd	610,323	4.7
Mellon Nominees Ltd	666,607	5.1
Nonferral (UK) Ltd	1,174,620	9.0
R C Greig Nominees Ltd	1,446,645	11.1
Schroder Nominees Ltd	1,192,180	9.1
Total major shareholders	10,226,709	78.3
Total shares on issue	13,060,482	100.0

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 per cent or more of the ordinary shares of 20p each in issue.

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 any position available. Opportunities exist for employees who become disabled to continue in their employment or be retrained for another position.

Suppliers payment terms

It is the Company's normal practice to negotiate terms of trading, including payment terms, with its 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 2001 were 42 days (2000 48 days) calculated in accordance with the requirements set down in the Companies Act 1985. This represents the ratio, expressed in days, the amounts invoiced to the Group by its suppliers in the year 2001 and the amounts due, at the end of the financial year 2001, to trade creditors within one year.

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

R.B. Ritchie
Director

20 June 2002

Corporate governance

In June 1998 the Combined Code on Corporate Governance 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. Any Corporate Governance statement must be designed to manage risk not to eliminate risk.

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 Officer have been undertaken by Mr Royce Ritchie. The Board of Directors have announced and Mr James Ferguson has assumed the role of Managing Director since 1 June 2002 and role of Chairman and Chief Executive will be split with this appointment.

Directors

The Board of Directors comprised Royce Ritchie and two non-executive directors, Russell Sincock (Company Secretary) and James Ferguson (who has assumed the role of Managing Director since 1 June 2002). Both Mr Ferguson and Mr Sincock were elected at the last AGM, Mr Ritchie retires at the next AGM and offers himself for re-election.

With the planned growth of the Group now that all of the re-organisation is complete, the appointment of additional non executive directors will be made as new opportunities open up for the company including the acquisition of the Scott Tod Group mentioned elsewhere in this report.

On 8 March 2001 Steve Hudd resigned from the Board and was replaced by Russell Sincock FCA. Charles Jillings and David Weir were appointed non executive directors on 11 December 2001 and resigned on 2 April 2002.

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 for new activities. Mr Ferguson is since his appointment assuming responsibility for existing operations. 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 Chairman, Managing Director and the Board continue to take 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 is currently implementing a system of controls that would formalise this process on an ongoing basis. It is the intention of the Board to continue to introduce formal procedures in accordance with the Turnbull Guidance and the arrival of James Ferguson as Managing Director will facilitate the strengthening of management throughout the Group but specifically in A Cohen (GB) Limited.

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. For A. Cohen and Co. plc, 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 (13 in year)

R. B. Ritchie	(Chairman and Chief Executive) (12)
R. Sincock	(Non Executive, appointed 8 March 2001) (9)
J. S. Ferguson	(Non Executive) (13)
S. D. Hudd	(Non Executive, resigned 8 March 2001) (3)
D. Weir	(Non Executive appointed 11 Dec 2001) (1)
C. Jillings	(Non Executive appointed 11 Dec 2001) (1)

Remuneration and Appointment Committee (2 in year)

R. Sincock	(appointed chairman 8 March 2001)
S. D. Hudd	(Chairman until resignation on 8 March 2001)
J. S. Ferguson	

Audit Committee (2 in year)

J. S. Ferguson	(appointed Chairman 8 March 2001)
S. D. Hudd	(Chairman until resignation on 8 March 2001)
R. Sincock	(appointed 8 March 2001)

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 R Sincock was appointed secretary on 8 March 2001 following the resignation of 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 Mr Ferguson was appointed chairman and Mr Sincock joined 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 Director's Report on pages 4 to 5, 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 12.

Internal control

The Directors are responsible for the Group's system of internal control. As outlined above the Chief Executive continued his review process which included the assessment of the Group's internal 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.

Corporate governance (continued)

• *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. In March 2002 the Company installed the latest accounting and control program Sage Line 100. It is the intention to convert all management reporting to this system along with all accounting, cash control, debtors, creditors and stock control.

• *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.

With the appointment of Mr Ferguson as Managing Director all internal control procedures will be reviewed especially in production, quality control, security and despatch.

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 auditor's report to the non-executive directors.

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

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.

Compliance Statement

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

In the Corporate Governance Report in the 2000 Annual Report the Directors explained that the Company was finalising the restructuring programme then outlined. This process is now complete and with the arrival of James Ferguson as Managing Director in support of the Chairman several initiatives will be commenced to return all companies in the Group to a satisfactory level of profitability.

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 2001 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 have been split from 1 June 2002.

A 3.2 One of the two non-executive directors was not independent of management and is now Managing Director 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.

Corporate governance (continued)

- 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 the formal review of the effectiveness of the Group's system of internal controls during the year, this will be completed as Mr Ferguson becomes more familiar with his new position.
- D 2.2 The Directors reviewed the need to introduce an internal audit program and it was resolved to institute such a program after Mr Ferguson becomes more familiar with his new duties of Managing Director since 1 June 2002. Such a program would include an ongoing process for identifying, evaluating and correcting any areas needing improvement as per Turnbull disclosures required in the Corporate Governance Statement.
- D 3.1 There were two independent non-executive directors sitting on the audit committee rather than three non-executive directors for the year.

Report of the Board to the Shareholders on Directors' remuneration

Compliance

The remuneration committee is responsible for agreeing 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 8.

Membership

The membership of the Remuneration and Appointments committee throughout the year is set out in the Corporate Governance statement on page 7.

The committee comprised only two non-executive directors instead of the three recommended. Additional Directors will be appointed during the year to enable the Company to have sufficient directors, both executive and non-executive, to fill vacancies on board committees.

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.

The committee believes that share ownership by executive directors and senior executives strengthens the link 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 executive's 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 Chairman and Chief Executive's contract was for the period ended 30 April 2002 and thereafter continues on three calendar months' notice. Negotiations for a new contract will be completed during June/July 2002 to the satisfaction of the non-executive directors and the Company's financial advisers. At the time of negotiation only one non-executive director could be considered to be independent of the Chairman. The contract for Managing Director will also be completed during June/July 2002.

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

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

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		
	31.05.02	**31.12.01**	**31.12.00**
R. B. Ritchie	323,239	173,239	22,500
J. S. Ferguson	8,162	8,162	1,000
R. Sincock	20,000	20,000	—
S. D. Hudd	—	—	250
	351,401	201,401	23,750

Mr. R. Ritchie's interests are detailed in Note 5. Mr. J. Ferguson has only those shares listed above. Mr. R. Sincock has only those shares listed above.

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
20 June 2002

Statement of Directors' repsonsibilities

The directors are required under United Kingdom 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, the Directors 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; and
- prepare the accounts on the 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 the system of internal control, 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.

Independent Auditors' report to the members of A. Cohen & Co. plc

We have audited the financial statements of A. Cohen & Co plc for the year ended 31 December 2001 which comprise the consolidated profit and loss account, the balance sheets, the cash flow statement, the statement of total recognised gains and losses, reconciliation of movements in shareholders' funds, note of historical profits and losses and the related notes 1 to 31. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements, auditing standards, and the Listing Rules of the Financial Services Authority.

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 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 reflects the Company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules 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 directors' report and the other information contained in the annual report for the above year as described in the contents section and 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 2001 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

20 June 2002

Consolidated profit and loss account

Year ended 31 December 2001

	Note	2001	2000	2000	2000
			Continuing Activities	Discontinued Activities	Total
		£'000	£'000	£'000	£'000
Turnover	3	9,066	12,126	32,861	44,987
Cost of sales		(7,426)	(11,057)	(30,046)	(41,103)
Gross profit		1,640	1,069	2,815	3,884
Distribution costs		(375)	(76)	(905)	(981)
Administrative expenses		(1,870)	(992)	(1,841)	(2,833)
Other operating income		100	—	130	130
Operating (loss)/profit	4	(505)	1	199	200
Investment income	6		—		
					29
Interest receivable		12			47
Interest payable	7	(153)			(235)
Profit on sale of fixed assets	8	—			100
Profit on sale of current asset investment	9	222			—
Loss on sale and termination of operations	9	—			(3,611)
Loss on ordinary activities before taxation	3	(424)			(3,470)
Tax on loss on ordinary activities	10	—			—
Loss on ordinary activities after taxation		(424)			(3,470)
Equity minority interests		—			(149)
Loss for the financial year attributable to shareholders	20	(424)			(3,619)
Losses per share (pence) both basic and diluted	11	(7.8p)			(216.0p)

All amounts in 2001 derive from continuing activities.

Consolidated balance sheet

31 December 2001

	Note	2001	2000
		£'000	£'000
Fixed assets			
Tangible assets	12	1,186	1,271
Investments	13	235	335
		1,421	1,606
Current assets			
Current asset investments	14	–	1,336
Stocks	15	423	387
Debtors	16	1,972	2,455
Cash at bank and in hand		72	56
		2,467	4,234
Creditors: amounts falling due within one year	17	(1,812)	(5,392)
Net current assets/(liabilities)		655	(1,158)
Total assets less current liabilities		2,076	448
Creditors: amounts falling due after more than one year	18	(26)	–
		2,050	448
Capital and reserves			
Called up share capital	19	2,612	344
Capital redemption reserve	20	49	49
Share premium account	20	2	244
Revaluation reserve	20	752	752
Other reserves	20	383	383
Profit and loss account	20	(1,748)	(1,324)
Equity shareholders' funds		2,050	448

These financial statements were approved by the Board of Directors on 20 June 2002.

Signed on behalf of the Board of Directors.

R. B. Ritchie

Executive Chairman

Balance sheet

31 December 2001

	Note	2001	2000
		£'000	£'000
Fixed assets			
Investments	13	1,514	388
		1,514	388
Current assets			
Current asset investments	14	—	1,336
Debtors	16	512	1,005
Cash at bank and in hand		23	—
		535	2,341
Creditors and provisions: amounts falling due within one year	17	(276)	(2,219)
Net current assets		259	122
Total assets less current liabilities		1,773	510
Capital and reserves			
Called up share capital	19	2,612	344
Capital redemption reserve	20	49	49
Share premium account	20	2	244
Other reserves	20	252	252
Profit and loss account	20	(1,142)	(379)
Equity shareholders' funds		1,773	510

These financial statements were approved by the Board of Directors on 20 June 2002.

Signed on behalf of the Board of Directors

R. B. Ritchie

Executive Chairman

Consolidated cash flow statement

Year ended 31 December 2001

	Note	2001	2001 Total	2000	2000 Total
		£'000	£'000	£'000	£'000
Net cash outflow from operating activities	22		(294)		(1,566)
Returns on investments and servicing of finance					
Investment income		–		29	
Interest received		12		48	
Interest paid		(151)		(233)	
Interest element of finance lease rental payments		(2)		(2)	
Net cash outflow from returns on investments and servicing of finance			(141)		(158)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		–		(780)	
Receipts from sale of tangible fixed assets		–		657	
Net cash outflow from capital expenditure and financial investment			–		(123)
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			(435)		(1,088)
Financing					
Issue of ordinary share capital in subsidiary company to minority		–		1,871	
Issue of ordinary share capital		2,026		38	
Increase in borrowings		–		1,731	
Repayment of borrowings		(1,571)		(163)	
Capital element of finance lease rental payments		(17)		(37)	
Net cash inflow from financing			438		3,440
Increase in cash	23		3		2,352

Statement of total recognised gains and losses

Year ended 31 December 2001

	2001 £'000	2000 £'000
Loss attributable to members of the company	(424)	(3,619)
Loss on deemed disposal of subsidiaries	—	(565)
Currency translation differences on foreign currency net investments	—	(260)
Total recognised gains and losses relating to the year	**(424)**	(4,444)

Reconciliation of movements in shareholders' funds

Year ended 31 December 2001

	2001 £'000	2000 £'000
Loss attributable to members of the company	(424)	(3,619)
Other recognised gains and losses relating to the year (net)	—	(825)
Issue of share capital	2,268	38
Share issue costs charged against share premium account	(242)	—
Goodwill transferred to profit and loss account in respect of the disposal of a business	—	1,263
Net increase (reduction) in shareholders' funds	**1,602**	(3,143)
Opening shareholders' funds	448	3,591
Closing shareholders' funds	**2,050**	448

Note of historical cost profits and losses

Year ended 31 December 2001

	2001 £'000	2000 £'000
Loss on ordinary activities before taxation	(424)	(3,470)
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	15
Historical cost loss on ordinary activities before taxation	(409)	(1,461)
Historical cost loss for the year after taxation, minority interests and dividends	(409)	(1,610)

Notes to the accounts

Year ended 31 December 2001

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 of these financial difficulties, the Company has sold a number of its assets over the past two years and raised significant funds through the rights issue in June 2001, which had enabled the Company to eliminate all long term debt.

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 2001.

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 valuation.

The Group has adopted Financial Reporting Standard No 15 "Tangible Fixed Assets" in the prior 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 the profit and loss account 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.

2. POST BALANCE SHEET EVENTS

The acquisitions of 20 per cent of Scott Tod Developments Limited for £200,000 and 33.3 per cent of Money Products International Limited for £40,000 were announced on 23 April 2002. These investments are in line with the previously announced strategy of the Group to pursue new and additional opportunities. These particular investments are expected to play a significant role in the future strategy of the Group and contribute to future profitability in both fields in which the Company is already involved and new areas of activity. The performance from these investments is expected to substantially improve the future performance of the Group.

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)	
	2001	2000	2001	2000	2001	2000	2001	2000
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
United Kingdom	(424)	(3,782)	2,050	448	9,066	16,385	1,889	6,718
Rest of Europe	—	-	-	-			3,265	2,664
Asia	—	-	-	-			2,892	11,832
Africa	—	-	-	-			314	135
North America	—	-	-	-			416	718
Middle East	—	-	-	-			222	712
Australia	—	312	-	—	—	28,088	68	21,694
New Zealand	—	—	-	—	—	514	—	514
Total	(424)	3,470	2,050	448	9,066	44,987	9,066	44,987

4. OPERATING LOSS

	2001	2000
	£'000	£'000
Operating (loss)/profit is stated after charging:		
Depreciation – owned assets	55	391
Depreciation – leased assets	30	177
Rentals under operating leases:		
Hire of plant and machinery	20	24
Land and buildings	–	127
Auditors' remuneration:		
Audit fees – company	25	10
Audit fees – Other group companies	15	85
Taxation and other advice – company	60	14

The auditors received, in addition to the above, remuneration for non-audit services of £80,000 (2000: £nil) that related to the raising of share capital and these costs were charged against the share premium account.

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' emoluments

	Basic Salary	Fees	Benefits	Total emoluments excluding pensions 2001	Total emoluments excluding pensions 2000	Pensions 2001	Pensions 2000
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Executive							
R. Ritchie	–	89	–	89	205	–	–
C. A. Cohen	–	–	–	–	6	–	1
R. O. Cohen	–	–	–	–	33	–	6
S. Redman	–	–	–	–	48		6
R. Sincock	–	44	–	44	–	–	–
Non-executive							
B. R. Weatherill	–	–	–	–	7	–	–
J. S. Ferguson	–	–	–	–	–	–	–
S. D. Hudd (resigned Mar 11 2001)	3	–	–	3	18	–	–
	3	133	–	136	317	–	13

Messrs C. Jillings and D. Weir were appointed non-executive directors on 11 December 2001 and received no remuneration or other benefits during the year. Only Mr Sincock received Directors fees during the year. Mr Sincock received professional fees for assisting in the rights issue of shares completed in the year 2001. These fees were in part treated as a charge against the raising as were professional fees charged by the auditors, solicitors and Brokers to the raising.

There were no directors for whom the company made pension contributions during the year.

	2001	2000
	No.	No.
Average number of persons employed		
Office and management	7	46
Manufacturing	13	137
	20	183

	2001	2000
	£'000	£'000
Staff cost during the year (including directors)		
Wages and salaries	444	3,425
Social security costs	8	101
Pension costs (see Note 25)	12	234
	464	3,760

Notes to the accounts (continued)

Year ended 31 December 2001

6. INVESTMENT INCOME

	2001	2000
	£'000	£'000
Amounts received from other fixed assets investments	–	29

7. INTEREST PAYABLE

	2001	2000
	£'000	£'000
Bank loans, overdrafts and other loans repayable within five years	151	233
Finance lease interest	2	2
	153	235

8. PROFIT ON SALE OF FIXED ASSETS

In 2000, the Group sold its Aluminium operations in Glasgow. Assets with a net book value of £557,000 were sold for cash consideration of £657,000.

9. *PROFIT ON SALE OF CURRENT ASSET INVESTMENT AND LOSS ON SALE AND TERMINATION OF OPERATIONS*

The profit on the sale of this current asset trade investment was £222,000 and has been recognised in 2001.

10. TAX ON LOSS ON ORDINARY ACTIVITIES

	2001	2000
	£'000	£'000
United Kingdom corporation tax at nil % (2000: nil %)	–	–

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

11. LOSSES PER SHARE

The calculation of losses per share is based on losses attributable to shareholders of £424,000 (2000: £3,619,000) and on the weighted average number of shares of 5,453,668 (2000: 1,675,435) in issue during the year.

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

12. TANGIBLE FIXED ASSETS

Group	Short *leasehold* property £'000	*Plant and* machinery £'000	Fixtures, *fittings and* motor vehicles £'000	Total £'000
Cost or valuation				
At 1 January 2001	803	952	86	1,841
Disposed of with subsidiaries	–	(12)	–	(12)
Disposals	–	–	(53)	(53)
At 31 December 2001	803	940	33	1,776
Accumulated depreciation				
At 1 January 2001	118	376	76	570
Charge for the year	17	64	4	85
Disposed of with subsidiaries	–	(12)	–	(12)
Disposals	–	–	(53)	(53)
At 31 December 2001	135	428	27	590
Net book value				
At 31 December 2001	668	512	6	1,186
At 31 December 2000	685	576	10	1,271

The latest valuation of the leasehold property at Woolwich was in 1996, for £1.3 million. A further review was undertaken in 2000 confirming an open market value of £1.0 million.

Group	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	803	794	33	1,630
Accumulated depreciation	135	282	27	444
Net book value				
At 31 December 2001	668	512	6	1,186
At 31 December 2000	635	576	10	1,271

Included in the net book value of plant and machinery is £24,000 (2000: £64,000) in respect of assets held under finance leases. Depreciation for the year on these assets was £30,000 (2000: £176,769).

Notes to the accounts (continued)

Year ended 31 December 2001

13. INVESTMENTS HELD AS FIXED ASSETS

	Other investments
The Group	£'000
At 1 January 2001	335
Impairment	(100)
At 31 December 2001	235

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 2001	703	155	–	858
Additions	92	–	–	92
Capitalisation of debt during the year	1,134	–	–	1,134
At 31 December 2001	**1,929**	**155**		**2,084**
Provisions				
At 1 January 2001	470	–	–	470
Impairment	–	100	–	100
At 31 December 2001	**470**	**100**	–	**570**
Net Book Value				
At 31 December 2001	**1,459**	**55**	–	**1,514**
At 31 December 2000	233	155	–	388

The addition in the number of shares relates to an increase in the number of shares in Jacobs Metals Limited whereby the Company acquired these shares during the year.

14. CURRENT ASSET INVESTMENTS Group and Company

	2001	2000
	£'000	£'000
Other listed investment	–	1,336

15. STOCKS

	2001	2000
	£'000	£'000
Raw materials and consumables	50	107
Finished goods and goods for resale	373	280
	423	387

16. DEBTORS

	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Trade debtors	1,858	2,332	11	–
Amounts owed by group undertakings	–	–	443	969
Other debtors	69	34	24	23
Prepayments and accrued income	45	89	34	13
	1,972	2,466	512	1,005

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Bank loans wholly repayable within one year	(6)	–	–	–
Bank overdrafts	(27)	(20)	(1)	–
Other loans repayable within one year	–	(1,395)	–	(1,395)
Obligations under finance leases (note 21)	(28)	(71)	–	–
Trade creditors	(1,222)	(1,467)	(105)	(159)
Other taxes and social security	–	(98)	–	(34)
Other creditors	(529)	(2,011)	(170)	(468)
Accruals and deferred income	–	(330)	–	(163)
	(1,812)	(5,392)	(276)	(2,219)

Amounts in other creditors totalling £341,000 (2000 — £1,153,000) 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 £212,000 (2000 — £388,000) is secured by a fixed and floating charge over the assets of the Company.

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

	Group		Company	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Obligations under finance leases (note 21)	(26)	–	–	–

19. *CALLED UP SHARE CAPITAL*

	2001		2000	
Authorised:	Number	£'000	Number	£'000
Ordinary shares of 20p each	20,000	4,000	1,500	300
Non-voting 'A' ordinary shares of 20p each	–	–	1,500	300
	20,000	4,000	3,000	600
Allotted, called up and fully paid:				
Ordinary shares of 20p each	13,061	2,612	862	172
Non-voting 'A' ordinary shares of 20p each	–	–	860	172
	13,061	2,612	1,722	344

During the year 144,000 ordinary shares with a nominal value of £0.20 were issued as a bonus issue. The 860,000 non-voting shares were transferred to voting shares; and a further 11,195,000 ordinary shares with a nominal value of £0.20 were issued for *cash consideration of £0.25 each giving an aggregate nominal value of £2,239,000 and total consideration of £2,799,000.*

Notes to the accounts (continued)

Year ended 31 December 2001

20. RESERVES

	Capital redemption reserve	Share premium account	Revaluation reserve	Other reserves	Profit and loss account
Group	£'000	£'000	£'000	£'000	£'000
At 1 January 2001	49	244	752	383	(1,324)
Loss for the year	—	—	—	—	(424)
Costs of issue of ordinary share capital	—	(242)	—	—	—
At 31 December 2001	49	2	752	383	(1,748)

	Capital redemption reserve	Share premium account	Other reserves	Profit and loss account
Company	£'000	£'000	£'000	£'000
At 1 January 2001	49	244	252	(379)
Loss for the year	—	—	—	(763)
Cost of issue of ordinary share capital	—	(242)	—	—
At 31 December 2001	49	2	252	(1,142)

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 £763,000 (2000: loss of £1,497,000).

21. FINANCIAL COMMITMENTS

At 31 December 2001, the Group had no capital commitments in respect of the purchase of machinery and equipment (2000: £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.

	2001	2000
	£'000	£'000
Within one year	28	77
Between one and two years	26	—
Between two and five years	—	—
	54	77
Less: future finance charges	(2)	(6)
	52	71

22. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2001	2000
	£'000	£'000
Operating (loss)/profit	(505)	200
Depreciation	85	568
Impairment of fixed assets	100	—
Net movement in working capital		
Stocks	(36)	(192)
Debtors	483	(2,802)
Creditors	(421)	660
Net cash outflow from operating activities	(294)	(1,566)

23. CASH FLOW STATEMENT: *Analysis of net debt*

	At 1 January 2001	Cash flow	At 31 December 2000
	£'000	£'000	£'000
Cash in hand and at bank	56	16	72
Overdrafts	(20)	(13)	(33)
	36	3	39
Debt due within one year	(1,783)	1,571	(212)
Finance leases	(71)	17	(54)
	(1,818)	1,591	(227)

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

	2001	*2001*	*2000*	*2000*
	£'000	*£'000*	*£'000*	*£'000*
Increase in cash in the year	*3*		*2,352*	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	1,588		(1,531)	
Change in net debt resulting from cash flows		1,591		821
Loans and finance leases disposed with subsidiary		–		8,058
New finance leases		–		(466)
Translation differences		–		415
Movement in net debt in the year		1,591		8,828
Net debt at start of year		(1,818)		(10,646)
Net debt at end of year		(227)		(1,818)

25. 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.

	2001	2000
	£'000	£'000
Contribution		
UK – defined contribution scheme	12	34
Overseas schemes	–	29
	12	63

26. 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 used a limited number of forward contracts in order to hedge its commodity price exposures during the year. Positions that were open at the end of the year were immaterial and were closed at no material gain or loss to the Group.

Interest Rate Risk

The Group is continuing to normalise its financing and banking arrangements as the Company returns to profit.

Notes to the accounts (continued)

Year ended 31 December 2001

27. *INTEREST RATE RISKS*

Interest rate and currency of financial liabilities

The Group has invoice discounting facilities up to £3 million of which £417,428 was drawn down at year end. These balances are included in other creditors (see note 17) and the average discounting rate at year end was 5.5%.

28. HEDGING

Foreign Currency Hedging

The Group has 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.

29. CURRENCY PROFILE

The main functional currency of the Group is 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.

	2001					2000		
	Australian $	Singapore $	US $	Other European currencies	Sing $	Australian $	US $	Other European currencies
Operating Currency	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sterling	—	—	—	—	8	(396)	363	460

30. *PRINCIPAL SUBSIDIARY AND ASSOCIATED UNDERTAKINGS*

SUBSIDIARY UNDERTAKINGS

Country of incorporation and 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 and Operation		Class of Share held	Interest in Equity
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%

31. RELATED PARTY TRANSACTIONS

R B Ritchie is Chairman of the Company and a director of its subsidiaries Jacob Metals Ltd and Jacob Metals (South America) Ltd. (dormant), and A.Cohen (Aust) Pty 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 & Co Plc to provide services of its staff, including R B Ritchie to the Company.

The 323,239 Ordinary Shares in which R B Ritchie is shown as being interested were acquired between October 1997 and June 2002 and are being registered in the name of Lassiter Pty Ltd. This holding represents 2.3 per cent. of the issued shares in the company.

R. R. Ritchie also has an interest in options on ordinary shares totalling 586,372 shares which expire if not exercised by 30 December 2004. The options are held by Lassiter Pty. Ltd. to acquire 96,372 fully paid ordinary shares at an exercise price of 71p and Wilmington Pty. Ltd. to acquire 490,000 shares at 42p.

Notice of meeting

Notice is hereby given that the Ninetieth Annual General Meeting of A. Cohen & Co. plc will be held at Level 6, Hill House, 1 Little New Street London EC4A 3TR, on Tuesday 30 July 2002 at 10.00am for the following purposes:

1. To receive and adopt the accounts of the Company for the year ended 31 December 2001 and the reports of the Directors and auditors thereon.
2. To re-elect Mr R Ritchie who retires by rotation in accordance with Article 82.
3. To re-appoint the auditors, Deloitte & Touche.
4. To fix the auditors' remuneration.
5. 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 for the purposes of section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) up to an aggregate nominal amount of £870,666 provided that this authority 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 and unless and to the extent that such authority is revoked or extended prior to such date) but so that the Company may before the expiry of such period make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the board may allot relevant securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired, such authority to be in substitution for any existing authorities conferred on the board pursuant to section 80 of the Act."
6. To consider, and if thought fit, to pass the following resolution which will be proposed as a special *resolution:*

   "That the board be and it is hereby generally empowered pursuant to section 95 of the Act to allot equity securities (as defined in section 94(2) of the Act) of the Company for cash pursuant to the authority conferred on the board pursuant to resolution 5 above as if section 89(1) of the Act did not apply to such allotments, provided that this power shall be in substitution for any existing powers conferred on the board pursuant to section 95 of the Act and shall be limited to:

   (i) the allotment of equity securities in connection with a rights issue or open offer in favour of ordinary shareholders where the equity securities attributable to the respective interests of all ordinary shareholders are proportionate to the respective numbers of ordinary shares held by them on the record date for such allotment, but subject to such exclusions or other arrangements as the *board may deem necessary or expedient in relation* to fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or any stock exchange in any territory; and

   (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of further equity securities up to an aggregate nominal amount of £130,600, provided that this authority shall expire at the earlier of fifteen months from the date of passing of this resolution and the conclusion of the Annual General Meeting of the Company to be held in 2003 save that the Company may make offers or agreements before the expiry of this power which would or might require equity securities to be allotted after such expiry and the board may allot equity securities pursuant thereto as if the power conferred hereby had not expired.
7. Any other business of which due notice is given.

By order of the Board

R. B. Ritchie
Executive Chairman
Purland Road, London SE28 0AT

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 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.

A. COHEN & CO. PLC
FORM OF PROXY

Proxy for use at the Annual General Meeting to be held at Deloitte & Touche, Level 6, Hill House, 1 Little New Street, London EC4A 3TR at 10.00 a.m. on 30 July 2002.

(a) I/We ....

[FULL NAME(S) IN BLOCK CAPITALS]

of ....

[ADDRESS IN BLOCK CAPITALS]

being a member(s) of A. Cohen & Co. plc, hereby appoint

(b) ....

[SEE NOTE (b) BELOW]

or failing him/her the Chairman of the Meeting, as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10.00 a.m. on 30 July 2002 and at any adjournment thereof.

ORDINARY RESOLUTIONS	FOR	AGAINST
1. To receive and adopt the accounts of the Company for the year ended 31 December 2001 and the reports of the directors and auditors thereon.		
2. To re-elect Mr R.B. Ritchie who retires by rotation in accordance with Article 82.		
3. To re-appoint the auditors, Deloitte & Touche.		
4. To fix the auditors' remuneration.		
5. To grant the board authority to allot shares pursuant to section 80 Companies Act 1985.		
SPECIAL RESOLUTION		
6. To grant the board authority to allot shares for cash pursuant to section 95 Companies Act 1985.		

(c) Signature .... Date ....

Notes:

(a) Please insert full name(s) of all holders.

(b) Members entitled to attend and vote at the meeting may appoint one or more proxies of their own choice to attend, and, on a poll, vote in their stead. A proxy need not be a member of the Company. If no name is entered, the return of this form, duly signed, will authorise the Chairman of the meeting to act as your proxy.

(c) Please indicate above with an "X" how you wish your vote to be cast. If you do not so indicate, then in relation to the resolution proposed at the meeting, the proxy will abstain or vote at his/her discretion.

(d) In the case of a corporation, this proxy must be under the common seal or under the hand of an officer or attorney duly authorised. In the case of joint holdings, the signature of the first named on the register of members will be accepted to the exclusion of the votes of the other joint holder(s).

(e) Any alteration to this form of proxy should be initialled.

(f) This proxy will be used in the event of a poll being directed or demanded.

(g) To be valid, this form of proxy and the power of attorney or other authority (if any) under which it is signed, must reach the registered office of the company at Purland Road, London SE28 0AT not less than forty-eight hours before the time appointed for the meeting or any adjournment thereof. The completion and return of a form of proxy will not, however, preclude shareholders from attending and voting in person at the meeting or at any adjournment thereof, should they wish to do so.

PLEASE RETURN THIS PROXY FORM TO THE COMPANY'S REGISTERED OFFICE AT

PURLAND ROAD, LONDON SE28 0AT.

R. J. Sincock BCom. FCA

Company Secretary