

A. COHEN & Co. PLC

ANNUAL REPORT & ACCOUNTS 2003

13045



Report and Financial Statements

Year ended 31 December 2003

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Officers and Professional Advisers

Directors

R.Ritchie, CPA

J. Ferguson

R Sincock, BCom FCA

R Petty

M Neistat

Chairman and Chief Executive

Managing Director Metals

Non-Executive

Non-Executive (resigned 30 June 2003)

Non-Executive (resigned 30 June 2003)

Company Secretary

R Sincock, BCom FCA

Registered Office

7 Pilgrim Street

London EC4V 6DR

Head office

The Lewis Day Building

76 East Road

London N1 6AB

Company registration number

00113845

Bankers

HSBC Bank plc

90 Baker Street

London W1M 2AX

Nominated Advisers

Beaumont Cornish Limited

Georgian House, 63 Coleman Street

London EC2R 5BB

Auditors

Rees Pollock

Chartered Accountants

7 Pilgrim Street

London EC4V 6DR

Solicitors

Faegre Benson 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

In the year ended 31 December 2003, the Company reported a loss for the financial year of £743,000 (2002: £1,565,000 loss) from turnover of £6.48 million (2002: £8.50 million). Included in this figure, are exceptional costs and provisions for impairment of investments totalling £279,000 (2002: £1.09 million).

The Company after a 205 year history in metals and related activities has, after, a number of very difficult years, ceased operations in all these activities. The Company has during the year and subsequent to year end realized almost all the assets involved and settled all associated liabilities.

The Group now has cash on hand and no debt and holds several interesting investments which I will comment on in detail below.

Continuing Activities

The company is now listed on the Alternative Investment Market (AIM) with Beaumont Cornish as its advisers and Nominated Advisor (Nomad). This change is expected to make future transactions easier to undertake and is appropriate for the size of the Company.

The largest investment of the Company is a 24.5% interest in ROO Media Europe Ltd (RME) which the Company holds at its cost of GBP180,000. The balance of the equity in RME is held by ROO Media Corporation (RMC), a wholly owned subsidiary of ROO Group Inc (ROOG) which is listed on the Nasdaq stock market with a market capitalization of in excess of US\$25 million. RME has a strategic exclusive 8 year licence for Europe for RMC products. The directors are confident that this investment will appreciate as the European rights represent a significant portion of the world market involved in broadband and media. The directors, however, have not re-valued the investment as its operations have not progressed as quickly as envisaged and the directors after declining an offer to exchange the interest for restricted ROOG shares have requested ROOG to accelerate the activity of RME. RMC and its directors are shareholders in the Company.

A further investment of the Company is the 33.33% interest in Money Products International Ltd which is a Company associated with Scott Tod plc and develops, manufactures and sells smart cards and other technology associated with the credit card and cash businesses. The investment at cost is GBP40,000 and the Company is under the management control of the Scott Tod plc directors and employees some of whom are also substantial shareholders in the Company. The Company is not represented on the Board of Money Products International Ltd.

The only other material investment which the Company continues to hold is a 37.4% interest in Speedmark Industries Pty Ltd. This company was part of the former Cohen metals and recycling businesses. The Company is not represented on the Board of Speedmark which is held by the Company at a valuation of GBP50,000. Speedmark is in the process of realizing its investments by the sale of subsidiaries which are expected to realize a considerable premium to this value. Consequently the directors have chosen to revalue this previously written down investment at GBP50,000. The Company has written down its investment in Metal Sales Zimbabwe to a negligible figure.

The Company has not derived any income or revenue from any of the above investments during 2003 or to date during 2004.

Activities during 2003

A.Cohen Metals Merchanting Ltd (formerly Jacob Metals Ltd) – The trading activities throughout the year included the international scrap trading and recycling business of Jacob Metals which made a positive return on investment from operations and a contribution to the results of the Company. The Company resolved to exit the business and sold it to management for the full value of its assets plus goodwill. However, notwithstanding the receipt of a capital sum for the sale of the business, an exchange loss and management costs associated with the exit resulted in an overall loss for the year. The sale of the Jacob Metals business was concluded on the 17th December 2003 and the directors have completed the realisation of all assets

and settled all liabilities of the company.

A.Cohen & Co (Great Britain) Ltd – The board's decision to sell the Woolwich Site and exit the phosphor copper business was announced on 31 March 2003. Whilst the property was sold at a profit and the proceeds were used to settle overdue debt, the profit was more than offset by management costs and losses as the Company disposed of the physical manufacturing and trading assets and sold or scrapped material residual assets after the insolvency of the proposed purchaser. As the Company was listed on the main board of the London Stock Exchange at the time it was necessary to also incur the costs to prepare a circular and hold an EGM to approve the sale.

During 2002 the Company acquired a 20% interest in Scott Tod Developments Ltd in contemplation of making a full acquisition of Scott Tod. Notwithstanding the company arranging an equity line of GBP3 million from New York the Company and its then advisers were unable to raise the necessary equity and debt finance to complete the transaction. The Company at the end of 2002 re-valued the 20% investment to GBP1 million to closer reflect its estimate of the market value of Scott Tod Developments Ltd and arranged to defer some significant creditors which resulted from the aborted acquisition. The Company reported during October 2003, that it had sold its 20 per cent interest in Scott Tod Developments Limited for £525,000 cash after revaluing the shareholding back to this figure. Whilst the directors felt this was substantially below the market value of the holding the alternatives available to the Company were limited given the inability of the Company to continue to finance the holding and the possibility of dilution. The Company used the proceeds to settle the deferred creditors at a discount and settle litigation over other aborted acquisition costs. Scott Tod Plc is now separately listed on AIM with a market capitalization in excess of GBP15 million.

The Company interest in RME was acquired initially as part of the proposed acquisition of ROO Media Corporation. Unfortunately several large shareholders were not supportive of the proposals

presented and the related resolutions were withdrawn from the EGM called for the sale of Woolwich on 30 June 2003. As a consequence the directors appointed to the Company to pursue the future activities of ROO Media Corporation resigned and sought, and achieved listing on the Nasdaq share market. The resultant enterprise is ROOG which is capitalized at in excess of US\$25 million. The Company has retained a minority holding in RME as detailed above.

As announced on 18th June 2003 the Company received a conditional preliminary approach from a shareholder in relation to the provision of information which may have lead to an offer for the shares in the Company not then held by the shareholder. This was conditional on the withdrawal or defeat of the resolutions for the acquisition of RME and certain related resolutions. On 15th July the Company announced that discussions with that shareholder in respect of the 'Potential Offer' had ceased and that it was not in discussions with any other party concerning an offer for the Company.

In addition the Company in early 2004 after expending considerable resources dealing with prior enquiries received during late 2002 and during 2003 a number of further enquiries from the Inland Revenue for details about its affairs extending over many years.. The Company is confident that it has no significant liabilities and has settled all but one of the enquiries however in so doing has conceded a large portion of carried forward losses in the businesses it has exited.

The former metals premises at Swansea remains un-let and the long term lease, which has 6 years remaining, is a continuing cost to the Company. This and the material changes in the Company's affairs detailed above and the many changes in the Company have resulted in significant director time and professional costs cost being incurred. These are now almost at an end and all cash costs have been reduced significantly during late 2003 and to date in 2004.

Chairman's statement

Current Trading and Prospects

The Company for the first time in recent years has no debt and no material creditors. It is reviewing several investment opportunities and will consider additional investments and activities to add to the existing portfolio. It is continuing to review the performance of the existing investments and I expect to be in a position to report further to shareholders when we send out notice of the AGM to be held in approximately 60 days.

Conclusion

I would like to thank my co-directors for their continued efforts during another difficult year. We look forward to a much brighter future for the Company and its shareholders.

R.B. Ritchie
Executive Chairman
29th June 2004



Directors' report

The Directors present their annual report and the audited financial statements of A. Cohen & Co. plc for the year ended 31 December 2003.

Group Activities

The Company is a holding company and the principal activity of its subsidiaries during the year was 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

A business review is included within the preceding Chairman's statement. The groups operations in the manufacture of non-ferrous metal ingots and other smelted products and the reclamation and trading of recyclable materials have ceased during the year and the company will continue as a holding company for various existing and additional investments.

Results and dividends

In the year ended 31 December 2003, the Company reported a loss on ordinary activities before taxation of £743,000 (2002: £1,565,000 loss) from turnover of £6.48 million (2002: £8.50 million). Included in this figure, are exceptional costs and provisions for impairment of investments totalling £279,000 (2002: £1.09 million).

The directors do not recommend the payment of a dividend.

Directors

The current Directors of the Company are shown on page 1.

Mr James Ferguson, the Managing Director of metals and recycling activities is currently finalising the exit from the metals operating businesses and metals related investments.

Mr J Ferguson was re-elected as a Director at the Annual General Meeting (AGM) held on 30 June 2003 while Mr R Petty and Mr M Neistat both resigned. Mr R Sincock will offer himself for re-election at the forthcoming Annual General Meeting.

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		
	31.12.03	31.12.02	31.12.01
R.B. Ritchie	824,505	438,329	173,239
J. S. Ferguson	48,162	48,162	8,162
R. Sincock	50,000	50,000	20,000
	922,667	536,491	201,401

The directors hold only those shares noted above.

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 the 18th June 2004.

Shareholder	Number	Per Cent
HSBC Bank International Ltd	3,510,350	23.2
RMC & Associated parties	1,486,000	9.8
D.L.Massie	1,201,398	7.9
N.Tod	950,000	6.3
R.Ritchie & Related entities	824,505	5.4
Fitel Nominees Ltd	727,742	4.8
Giltspur Nominees Ltd	675,951	4.5
D.J.Davies	669,508	4.3
Mellon Nominees	656,607	4.3
Total major shareholders	10,702,061	70.6
Total shares on issue	15,160,482	100.0

The Directors are not aware of any changes in these interests since that date. Save as disclosed above, the Directors are not aware of any shareholding representing 3 per cent or more of the ordinary shares of 20p each in issue.

Employees

Since 17 December 2003 the Company has had no employees.

Directors' report

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.

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

R.B. Ritchie

Director

29th June 2004



Statement of directors' responsibilities

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 accounts on pages 9 to 25 which have been prepared under the historical cost convention as modified by the revaluation of certain assets and the accounting policies set out on pages 14 to 15.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

The directors' responsibilities for preparing the Annual Report and the accounts in accordance with applicable United Kingdom law and Accounting Standards are as set out in the Statement of Director's Responsibilities on page 7.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 regarding directors' remuneration and transactions with the Company is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Fundamental uncertainty

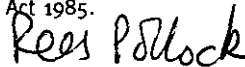
In forming our opinion we have considered the adequacy of the disclosures made in note 1 to the accounts concerning the Company's ability to continue its operations as a going concern.

We have also considered the disclosures in note 12 and in the Chairman's statement relating to the valuation of the Group's trade investments and the uncertainty arising over the appropriateness of the carrying value.

In view of the significance of these uncertainties we consider that they should be drawn to your attention, but our opinion is not qualified in this respect.

Audit opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2003 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Rees Pollock

Chartered Accountants
Registered Auditors
London

29th June 2004

Consolidated profit and loss account

Year ended 31 December 2003

	Note	2003	2003	2003	2002
		Continuing Activities	Discontinued Activities	Total	Total
		£'000	£'000	£'000	£'000
Turnover	3	—	6,484	6,484	8,502
Cost of sales		—	(6,099)	(6,099)	(7,725)
Gross profit		—	385	385	777
Distribution costs		—	(82)	(82)	(171)
Administrative expenses		(416)	(357)	(773)	(1,084)
Other operating income		—	—	—	67
Operating (loss)/profit before exceptional costs	4	(416)	(54)	(470)	(411)
Exceptional administrative expenses	6	—	(215)	(215)	(859)
Operating (loss)/profit after exceptional costs		(416)	(269)	(685)	(1,270)
Profit on sale of fixed assets		—	87	87	1
Profit on sale of business		—	31	31	—
Loss on termination of an operation		—	(110)	(110)	—
Provision for impairment of investments		46	—	46	(235)
Loss on ordinary activities before interest		(370)	(261)	(631)	(1,504)
Interest receivable				10	3
Interest payable	7			(122)	64
Loss on ordinary activities before tax	3			(743)	(1,565)
Tax on loss on ordinary activities	8			—	—
Loss on ordinary activities after taxation				(743)	(1,565)
Equity minority interests				—	—
Loss for the financial year attributable to shareholders	19			(743)	(1,565)
Losses per share (pence) both basic and diluted	9			(4.9)	(11.4)

Consolidated balance sheet

31 December 2003

	Note	2003	2002
		£'000	£'000
Fixed assets			
Intangible assets	10	—	184
Tangible assets	11	3	7
Investments	12	276	1,039
		279	1,230
Current assets			
Tangible assets held for resale	13	7	857
Stocks	14	—	256
Debtors	15	771	1,688
Cash at bank and in hand		74	78
		852	2,879
Creditors: amounts falling due within one year	16	(669)	(2,105)
Net current assets		183	774
Total assets less current liabilities		462	2,004
Creditors: amounts falling due after more than one year	17	—	(319)
		462	1,685
Equity minority interests		—	(1)
		462	1,684
Capital and reserves			
Called up share capital	18	3,032	3,032
Capital redemption reserve	19	49	49
Share premium account	19	2	2
Revaluation reserve	19	—	1,531
Other reserves	19	386	386
Profit and loss account	19	(3,007)	(3,316)
Equity shareholders' funds		462	1,684

These financial statements were approved by the Board of Directors 29th June 2004.

Signed on behalf of the Board of Directors.

R. B. Ritchie

Executive Chairman



Balance sheet

31 December 2003

	Note	2003	2002
		£'000	£'000
Fixed assets			
Tangible assets		3	4
Investments	12	428	2,681
		431	2,685
Current assets			
Debtors	15	97	359
Cash at bank and in hand		6	—
		103	359
Creditors: amounts falling due within one year	16	(57)	(664)
Net current assets/liabilities		46	(305)
Total assets less current liabilities		477	2,380
Creditors: amounts falling due after more than one year	17	—	(319)
		477	2,061
Capital and reserves			
Called up share capital	18	3,032	3,032
Capital redemption reserve	19	49	49
Asset revaluation reserve	19	—	779
Share premium account	19	2	2
Other reserves	19	252	252
Profit and loss account	19	(2,858)	(2,053)
Equity shareholders' funds		477	2,061

These financial statements were approved by the Board of Directors on the 29th June 2004.

Signed on behalf of the Board of Directors

R. B. Ritchie

Executive Chairman



Consolidated cash flow statement

Year ended 31 December 2003

	Note	2003	2003	2002	2002
		£'000	£'000	£'000	£'000
Net cash outflow from operating activities	21		(371)		(793)
Returns on investments and servicing of finance					
Interest received		10		3	
Interest paid		(122)		(49)	
Interest element of finance lease rental payments		—		(3)	
Net cash outflow from returns on investments and servicing of finance			(112)		(49)
Capital expenditure and financial investment					
Payments to acquire fixed asset investments		(12)			
Receipts from sale of fixed asset investments		525			
Receipts from sale of business		31			
Payments to acquire tangible fixed assets		—		(11)	
Receipts from sale of tangible fixed assets		796		1	
Net cash inflow/(outflow) from acquisitions and disposals			1,340		(10)
Acquisitions and disposals					
Payments on termination of an operation		(110)		—	
Net cash outflow from capital expenditure and financial investment			(110)		—
Net cash inflow/(outflow) before financing			747		(852)
Financing					
Increase in borrowings		—		300	
Repayment of borrowings		(312)		(212)	
Capital element of finance lease rental payments		(6)		(48)	
Net cash inflow/(outflow) from financing			(318)		40
Increase/(decrease) in cash	23		429		(812)

Statement of total recognised gains and losses

Year ended 31 December 2003

	2003	2002
	£'000	£'000
Loss attributable to members of the company	(743)	(1,565)
Revaluation of investment	(479)	779
Total recognised gains and losses relating to the year	(1,222)	(786)

Reconciliation of movements in shareholders' funds

Year ended 31 December 2003

	2003	2002
	£'000	£'000
Loss attributable to members of the company	(743)	(1,565)
Revaluation of investment	(479)	779
Issue of share capital	—	420
Net increase/(reduction) in shareholders' funds	(1,222)	(366)
Opening shareholders' funds	1,684	2,050
Closing shareholders' funds	462	1,684

Note of historical cost profits and losses

Year ended 31 December 2003

	2003	2002
	£'000	£'000
Loss on ordinary activities before taxation	(743)	(1,565)
Realisation of revaluation	1,052	—
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	8	15
Historical cost profit/(loss) on ordinary activities before taxation	317	(1,550)
Historical cost profit/(loss) for the year after taxation, minority interests and dividends	317	(1,550)

Notes to the accounts

Year ended 31 December 2003

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 investments.

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. It should be noted, however, that all trading operations of the subsidiary companies have ceased and that the parent company is now looking to existing and other investments. The directors are confident that investors will continue to support the group and that as a result the going concern basis of preparation has been adopted in preparation of these financial statements.

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 2003.

Financial instruments

As at the end of the financial year the Group did not have any derivative 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.

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

Depreciation is provided on cost or on revalued amounts over the estimated useful lives of the assets. The rates of depreciation are as follows:

Plant and machinery	15% per annum on written down value
Fixtures, fittings, tools and equipment	15% per annum on written down value

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 are stated at cost or valuation, less provision for impairment. Investments are revalued where the directors believe this is necessary in order to show a true and fair view in the accounts.

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.

Tangible assets held for resale

These assets represent the cost or valuation, less provision for impairment, of assets the directors have resolved to dispose of within one year subject to shareholder agreement.

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 on all timing differences, without discounting, calculated at the rate at which it is estimated that tax will be payable, except where otherwise required by accounting standards.

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.

2. POST BALANCE SHEET EVENTS

The directors are not aware of any post balance sheet events that would materially affect the affairs of the company.

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

The principal activity of the Group was the manufacture and sale of non-ferrous metal ingots and other smelted products and the reclamation and trading of recyclable materials until 17 December 2003. Thereafter it has been investment.

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)	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000	2003 £'000	2002 £'000	2003 £'000	2002 £'000
United Kingdom	(743)	(1,565)	462	1,684	6,476	8,477	504	1,203
Rest of Europe	—	—	—	—	—	—	556	1,465
Asia	—	—	—	—	—	—	5,355	5,406
Africa	—	—	—	—	—	—	—	4
America	—	—	—	—	—	—	52	198
Middle East	—	—	—	—	—	—	9	226
Australia	—	—	—	—	8	25	8	—
Total	(743)	(1,565)	462	1,684	6,484	8,502	6,484	8,502

Notes to the accounts (continued)

Year ended 31 December 2003

4. OPERATING (LOSS)/PROFIT

	2003	2002
	£'000	£'000
Operating (loss)/profit is stated after charging:		
Depreciation – owned assets	30	55
Depreciation – leased assets	–	20
Rentals under operating leases:		
Hire of plant and machinery	16	13
Land and buildings	14	14
Auditors' remuneration:		
Audit fees – company	13	5
Audit fees – other group companies	–	10
Other – taxation and other advice	25	–

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' emoluments

	Basic Salary	Fees	Benefits	Total emoluments excluding pensions		Pensions	
				2003	2002	2003	2002
				£'000	£'000	£'000	£'000
<i>Executive</i>							
R. Ritchie	–	107	–	107	138	–	–
J. Ferguson	–	76	–	76	54	–	–
<i>Non-executive</i>							
R. Sincock	–	12	–	12	11	–	–
M. Neistat (Resigned 30 June 2003)	–	15	–	15	–	–	–
R. Petty (Resigned 30 June 2003)	–	–	–	–	–	–	–
	–	210	–	210	203	–	–

Directors expenses were paid on a reimbursement basis and there were no other services performed by the directors for the year.

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

	2003	2002
	No.	No.
Average number of persons employed		
Office and management	4	7
Manufacturing	5	10
	9	17
	£'000	£'000
Staff cost during the year (including directors)		
Wages and salaries	199	432
Social security costs	25	43
Pension costs (see Note 24)	10	19
	234	494

6. EXCEPTIONAL ITEMS

	2003	2002
	£'000	£'000
Aborted acquisition expenditure ^(a)	(72)	563
Impairment of assets of A Cohen (Great Britain) Limited	115	265
Stock theft	—	31
Meeting costs <i>re</i> : Extraordinary General Meeting 30 June 2003	172	—
	215	859

^(a) These costs were associated with the aborted acquisition of the remaining 80% of Scott Tod Developments Limited and attempted capital raising in 2002. The balance in 2003 relates to credits on invoices relating to this expenditure.

7. INTEREST PAYABLE

	2003	2002
	£'000	£'000
Bank loans, overdrafts and other loans repayable within five years	122	62
Finance lease interest	—	2
	122	64

8. TAX ON LOSS ON ORDINARY ACTIVITIES

	2003	2002
	£'000	£'000
United Kingdom corporation tax at nil% (2002: nil%)	—	—

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

The group has a deferred tax asset which has not been recognised in the accounts. This asset would be recoverable in the event that the group made sufficient, applicable taxable profits in the future.

9. LOSSES PER SHARE

The calculation of losses per share is based on losses attributable to shareholders of £743,000 (2002: £1,565,000) and on the weighted average number of shares of 15,160,482 (2002: 13,711,441) in issue during the year.

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

10. INTANGIBLE ASSETS

	2003	2002
	£'000	£'000
Group		
Goodwill on Acquisition ^(a)	—	184

^(a) During the year the directors resolved to re-classify its investment in ROO Media Europe Limited to a trade investment due to a lack of significant influence over the affairs of the company.

Notes to the accounts (continued)

Year ended 31 December 2003

11. TANGIBLE FIXED ASSETS

	Fixtures, fittings & Motor vehicles	Total
Group	£'000	£'000
Cost or valuation		
At 1 January 2003	10	10
At 31 December 2003	10	10
Accumulated depreciation		
At 1 January 2003	3	3
Charge for the year	4	4
At 31 December 2003	7	7
Net book value		
At 31 December 2003	3	3
At 31 December 2002	7	7

12. INVESTMENTS HELD AS FIXED ASSETS

	Trade investments
The Group	£'000
At 1 January 2003	1,039
Additions	11
Disposals	(525)
Revaluation	(479)
Transfer from goodwill	184
Write-back of provision against trade investment	46
At 31 December 2003	276

Company	Shares in subsidiary undertakings £'000	Trade investment £'000	Total £'000
Cost			
At 1 January 2003	2,113	1,195	3,308
Additions	—	11	11
Disposals	—	(525)	(525)
Transfer	(184)	184	—
Revaluations	—	(479)	(479)
At 31 December 2003	1,929	386	2,315
Provisions			
At 1 January 2003	470	157	627
Impairment/(write-back)	1,307	(46)	1,261
At 31 December 2003	1,777	111	1,888
Net Book Value			
At 31 December 2003	152	276	428
At 31 December 2002	1,643	1,038	2,681

Details of the company's investments are given in note 29.

The investment in Speedmark Industries has been written up to £50,000. Speedmark is in the process of realising its investments by the sale of subsidiaries which are expected to realise a considerable premium to this value. Consequently the directors have chosen to revalue this previously written down investment at £50,000.

13. TANGIBLE ASSETS HELD FOR RESALE

	2003 £'000	2002 £'000
Transferred from tangible fixed assets	7	857
	7	857

14. STOCKS

	2003 £'000	2002 £'000
Raw materials and consumables	—	25
Finished goods and goods for resale	—	231
	—	256

Notes to the accounts (continued)

Year ended 31 December 2003

15. DEBTORS

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Trade debtors	728	1,535	—	—
Amounts owed by group undertakings	—	—	78	305
Other debtors	24	100	1	32
Prepayments and accrued income	19	53	18	22
	771	1,688	97	359

16. CREDITORS: amounts falling due within one year

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Bank overdrafts	—	(28)	—	(7)
Other loans repayable within one year	—	(312)	—	(312)
Obligations under finance leases (note 20)	—	(6)	—	—
Trade creditors	(127)	(465)	(20)	(254)
Other creditors and accruals	(542)	(1,294)	(37)	(91)
	(669)	(2,105)	(57)	(664)

Amounts in other creditors totalling £418,000 (2002: £823,000) are secured by a first fixed charge over the trade debtors of A Cohen & Co (GB) Limited and A. Cohen Metals Merchanting Limited. Since the end of 2003 this has been repaid in full.

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

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Obligations under finance leases (note 20)	—	—	—	—
Trade creditors	—	(319)	—	(319)
	—	(319)	—	(319)

18. CALLED UP SHARE CAPITAL

	2003		2002	
	Number	£'000	Number	£'000
Authorised:	('000)	£'000	('000)	£'000
Ordinary shares of 20p each	20,000	4,000	20,000	4,000
Allotted, called up and fully paid:				
Ordinary shares of 20p each	15,160	3,032	15,160	3,032

19. RESERVES

	Capital redemption reserve	Share premium account	Revaluation reserve	Other reserves	Profit and loss account
Group	£'000	£'000	£'000	£'000	£'000
At 1 January 2003	49	2	1,531	386	(3,316)
Loss for the year	—	—	—	—	(743)
Revaluation of investment	—	—	(479)	—	—
Transfer of realised profits	—	—	(1,052)	—	1,052
At 31 December 2003	49	2	—	386	(3,007)

	Capital redemption reserve	Share premium account	Revaluation reserve	Other reserves	Profit and loss account
Company	£'000	£'000	£'000	£'000	£'000
At 1 January 2003	49	2	779	252	(2,053)
Loss for the year	—	—	—	—	(1,105)
Revaluation of investment	—	—	(479)	—	—
Transfer of realised profits	—	—	(300)	—	300
At 31 December 2003	49	2	—	252	(2,858)

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 £1,103,867 (2002: loss of £910,490).

20. FINANCIAL COMMITMENTS

At 31 December 2003, the Group had no capital commitments (2002: £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 lease is as follows:

	2003	2002
	£'000	£'000
Within one year	—	6
Between one and two years	—	—
Between two and five years	—	—
	—	6
Less: future finance charges	—	—
	—	6

Notes to the accounts (continued)

Year ended 31 December 2003

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

	2003	2002
	£'000	£'000
Operating (loss) before exceptional costs	(470)	(411)
Exceptional costs	(215)	(859)
Impairment of fixed assets	115	265
Depreciation	30	69
Net movement in working capital		
Stocks	256	167
Debtors	918	284
Creditors	(1,005)	(308)
Net cash outflow from operating activities	(371)	(793)

22. CASH FLOW STATEMENT: Analysis of net debt

	At 1 January 2003	Cash flow	At 31 December 2003
	£'000	£'000	£'000
Cash in hand and at bank	78	(5)	73
Overdrafts and bank loans	(851)	434	(417)
	(773)	429	(344)
Debt due within one year	(312)	312	—
Finance leases	(6)	6	—
	(1,091)	747	(344)

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

	2003	2003	2002	2002
	£'000	£'000	£'000	£'000
Increase/(decrease) in cash in the year	429		(812)	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	318		(52)	
Change in net debt resulting from cash flows		747		(864)
Translation differences		—		—
Movement in net debt in the year		747		(864)
Net debt at start of year		(1,091)		(227)
Net debt at end of year		(344)		(1,091)

24. 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.

	2003	2002
	£'000	£'000
Contribution		
UK – defined contribution scheme	10	19
	10	19

25. 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.

Interest rate risk

The Group has borrowings as disclosed in Note 26.

26. INTEREST RATE RISKS

Interest rate and currency of financial liabilities

The Group had invoice discounting facilities of which £418,000 was drawn down at year end. These balances are included in other creditors (see note 16) and the average discounting rate at year end was 5.5%. These have since been repaid in full.

27. HEDGING

Foreign currency hedging

The Group does not hedge its foreign exchange exposure. The Group's exposure to foreign exchange is set out in note 28 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.

28. 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.

	2003			2002		
	Australian \$ £'000	US \$ £'000	European currencies £'000	Australian \$ £'000	US \$ £'000	European currencies £'000
Operating Currency						
Sterling	—	200	—	22	289	88

Notes to the accounts (continued)

Year ended 31 December 2003

29. 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.	Ceased production of copper alloy and aluminium alloy ingots and processing of metals in June 2003.	Ordinary	100%
A Cohen Metals Merchanting Limited.	Ceased International metal trading 31 December 2003.	Ordinary	100%
A Cohen (Aust) Pty Ltd	Management company	Ordinary	100%
A Cohen & Co. Securities Limited	Non-trading	Ordinary	100%
Comexim International Limited	Non-trading	Ordinary	100%

All the companies are incorporated in Great Britain and registered in England and Wales except for A Cohen (Aust) Pty Ltd which is registered in Victoria, Australia.

TRADE INVESTMENTS

Country of incorporation and operation		Class of Share held	Interest in Equity
UNITED KINGDOM			
Roo Media Europe Limited	Media products & services of content syndication & supply of streaming video, reproduction of video content and advertising.	Ordinary	24.5%
Money Products International Limited	Manufacture, sale and rental of change machines and coin operated equipment	Ordinary	33.3%
SOUTH AFRICA			
Speedmark Industries (Pty Ltd).	Injection moulding of engineering plastics and production of conveyor rollers for the mining industry.	Ordinary	37.4%
ZIMBABWE			
Metal Sales (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%

Despite the equity interest in the above noted investments the directors have decided not to equity account due to a lack of significant influence over the investments.

30. RELATED PARTY TRANSACTIONS

R. B. Ritchie is Chairman of the Company and a director of most subsidiaries of the Company.

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

Midnight Bay Holdings Pty Ltd was a substantial shareholder in ROO Media Corporation and is a substantial shareholder of ROO Group Inc.

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 824,505 Ordinary Shares in which R. B. Ritchie is shown as being interested were acquired between October 1997 and December 2003 and are being registered in the name of Midnight Bay Holdings Pty Ltd and Portsea Ltd. This holding represents 5.4% of the issued shares in the company.

Mr Ritchie has an interest in 490,000 options held by Wilmington Pty Ltd at an exercise price of 42 pence. The options expire if not exercised by 31 December 2004.

J Ferguson is a director and shareholder of Motehill Metals Limited.

Motehill Metals Limited provides services to A. Cohen plc including J Ferguson. The total of these amounts are shown as directors fees. Mr Ferguson is also a director of A. Cohen (Great Britain) Limited.

R. Petty a former director was a substantial shareholder in ROO Media Corporation and is a substantial shareholder of ROO Group Inc. R.Petty is a director of ROO Media Europe Ltd in which the Company holds a 24.5% equity interest

Messrs D. L. Massie and N. Tod are substantial shareholders in and directors of Scott Tod plc (formerly Darwen Capital Plc) Together they hold 14.2% of the issued shares of the Company. On 2 October 2003 the Company announced the disposal of 20% of Scott Tod Developments Ltd to Darwen Capital Plc for GBP525,000.

There were no other related party transactions throughout the year.

A. COHEN & CO. PLC

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