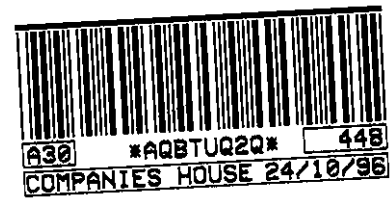


Company Number 537277

UMM LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1995



UMM LIMITED

YEAR ENDED 31 DECEMBER 1995

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UMM LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 December 1995.

Business Review

The principal activities of the company were the manufacture of mining equipment, civil and construction equipment, material handling equipment and installation of transportation engineering systems for the movement of people in the leisure industry.

The profit to be transferred to reserves is £775,243 (1994: Loss £203,170) as set out in the profit and loss account on page 4.

The winding down of the company continued during the year following the ultimate holding company's decision, in 1992, to cease trading in the UK by UMM and its subsidiaries.

Fixed Assets

The changes in fixed assets are shown in Note 7.

Dividends

The directors do not recommend the payment of a dividend for the year ended 31 December 1995.

Directors

The directors who served during the year were as follows:-

C.H. Hagemeyer (resigned 30 June 1996)  
W. Von Der Linden (appointed 16 January 1995)  
R.K.T. Eisenmann (appointed 1 July 1996)

None of the directors who held office at the end of the financial year had any interest in the shares of this company or any group company.

Auditors

KPMG resigned as auditors during the year and Clive Owen & Co were appointed.

In accordance with S.385 of the Companies Act 1985, a resolution for the reappointment of Clive Owen & Co as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board

  
.....  
W. VON DER LINDEN

UMM LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the results of the group for that year.

In preparing those financial statements the directors are required to:-

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

UMM LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1995 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Clive Owen & Co*

CLIVE OWEN & CO  
Registered Auditors  
Chartered Accountants

1 Blackwell Lane  
Darlington

12 September 1996

UMM LIMITED  
PROFIT AND LOSS ACCOUNT  
YEAR ENDED 31 DECEMBER 1995

		<u>1995</u>	<u>1994</u>
	<u>Note</u>	£	£
<u>TURNOVER</u>	2	42,414	56,298
Cost of sales		(12,569)	(182,030)
<u>GROSS PROFIT/(LOSS)</u>		29,845	(125,732)
Other operating income		33,000	51,000
Administrative expenses		(41,126)	(75,086)
<u>OPERATING PROFIT/(LOSS)</u>	4	21,719	(149,818)
Waiver of loan from parent undertaking	5	660,000	-
Interest receivable		5,404	-
Interest payable	6	(28,114)	(53,352)
Profit on sale of property		109,724	-
Profit on sale of investment		6,510	-
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		775,243	(203,170)
Taxation	7	-	-
<u>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</u>		775,243	(203,170)
<u>PROFIT AND LOSS ACCOUNT BROUGHT FORWARD</u>		(6,990,130)	(6,786,960)
<u>PROFIT AND LOSS ACCOUNT CARRIED FORWARD</u>		£(6,214,887)	£(6,990,130)
		=====	=====

There are no recognised gains or losses other than the profit/(loss) for the financial year.

The notes on pages 6 to 10 form part of these financial statements.

UMM LIMITED  
BALANCE SHEET  
AS AT 31 DECEMBER 1995

		<u>1995</u>	<u>1994</u>
	<u>Note</u>	£	£
<u>CURRENT ASSETS</u>			
Tangible assets	8	-	383,985
Investments	9	3	30,003
Stocks	10	-	10,792
Debtors	11	49,356	28,072
Cash at bank		105,291	-
		<hr/>	<hr/>
		154,650	452,852
<u>CREDITORS</u> : Amounts falling due within one year	12	(453,961)	(1,527,406)
		<hr/>	<hr/>
<u>NET LIABILITIES</u>		£ (299,311)	£ (1,074,554)
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up share capital	13	5,915,576	5,915,576
Profit and loss account		(6,214,887)	(6,990,130)
		<hr/>	<hr/>
<u>SHAREHOLDERS' FUNDS</u>		£ (299,311)	£ (1,074,554)
		=====	=====

The notes on pages 6 to 10 form part of these financial statements.

The financial statements were approved by the Board on 12 September 1996 and signed on its behalf by:-

  
 .....  
 W. VON DER LINDEN

DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and applicable accounting standards. The financial statements are also prepared on the going concern basis, however the validity of the going concern basis is dependent on the continued support of the company's parent company. Should the going concern basis of preparation no longer be appropriate, adjustments are required to reduce the value of assets to their recoverable amount, and to provide for any further liabilities that might arise. The financial statements present information about the individual company and not the group.

(b) Deferred Taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

(c) Foreign Currency

Foreign currency transactions are converted at the exchange rate ruling at the date of transaction. Foreign currency assets and liabilities are translated in accordance with Statement of Standard Accounting Practice No.20.

(d) Cash Flow Statement

The company has taken advantage of the exemption contained within Financial Reporting Standard No.1 in not presenting a cash flow statement.

2. TURNOVER

Turnover represents amounts invoiced by the company in respect of goods sold and services rendered during the year, excluding value added tax.

No analysis of turnover has been disclosed as the directors feel it would be prejudicial to the company.

3. STAFF NUMBERS AND COSTS

The average number of persons employed by the company (including directors) during the year was as follows:-

	<u>1995</u>	<u>1994</u>
Management and administration	2	2
	====	====

There were no payroll costs during the year (1994:£Nil).



4. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging or crediting the following:-

	<u>1995</u>	<u>1994</u>
	£	£
Directors' remuneration	-	(4,500)
Pension scheme surplus	-	(8,416)
Audit fee	1,000	2,500
Operating leases	(320)	4,148
	=====	=====

5. EXCEPTIONAL ITEM

	<u>1995</u>	<u>1994</u>
Waiver of loan from parent undertaking	£660,000	£ -
	=====	=====

During the year the company received a loan of £660,000 from the parent undertaking, DBT Deutsche Bergbau - Technik GmbH.

The parent undertaking has since waived claim to repayment of the £660,000 and accordingly this has been credited to the profit and loss account.

6. INTEREST PAYABLE

	<u>1995</u>	<u>1994</u>
	£	£
On bank overdraft	28,525	49,118
On hire purchase contracts	(411)	4,234
	-----	-----
	£28,114	£53,352
	=====	=====

7. TAXATION

After taking into account loss relief, no taxation provision is considered necessary based on the current year's results.

8. TANGIBLE CURRENT ASSETS

	<u>1995</u>	<u>1994</u>
Freehold land and buildings held for resale	£ -	£383,985
	=====	=====

9. INVESTMENTS

	<u>1995</u>	<u>1994</u>
Shares in group undertakings	£ 3	£30,003
	=====	=====

Details of the subsidiary undertakings are as follows:-

<u>Subsidiary Undertaking</u>	<u>Nature of Business</u>	<u>Country of Registration</u>	<u>Percentage of Shares Held</u>
Hands England Drilling Limited	Dormant	England	100% of ordinary shares
C - Drill Limited	Dormant	England	99.92% of ordinary shares

Advantage has been taken of the exemption contained in S.248(1) of the Companies Act 1985 not to prepare group financial statements.

The financial statements present information about the individual company and not the group. Due to the non-consolidation of subsidiary undertakings the following information is disclosed.

<u>Subsidiary Undertaking</u>	<u>Discount on Acquisition</u>	<u>Profit for Year</u>	<u>Net Liabilities as per latest Financial Statements</u>
Hands England Drilling Limited	£Nil	£Nil	£(74,628) (at 31 December 1994)
C - Drill Limited	£Nil	£Nil	£(918,301) (at 31 December 1994)

Since the year end, application has been made to the Registrar of Companies to have both of the above companies struck off.

10. STOCKS

	<u>1995</u>	<u>1994</u>
Goods for resale	£ -	£10,792
	=====	=====

11. DEBTORS

	<u>1995</u>	<u>1994</u>
	£	£
Trade debtors	35,719	27,305
Other debtors	12,000	767
Prepayments and accrued income	1,637	-
	=====	=====
	£49,356	£28,072
	=====	=====

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1995</u>	<u>1994</u>
	£	£
Bank overdraft	-	626,731
Trade creditors	881	881
Taxation and social security	3,206	-
Amounts due to parent and fellow subsidiary undertakings	445,238	815,966
Hire purchase and finance lease obligations	-	37,474
Accruals and deferred income	4,636	46,354
	<hr/>	<hr/>
	£453,961	£1,527,406
	=====	=====

13. SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
	£	£
<u>Authorised</u>		
6,000,000 Ordinary shares of £1 each	6,000,000	6,000,000
	=====	=====
<u>Allotted, Called Up and Fully Paid</u>		
5,915,576 Ordinary shares of £1 each	5,915,576	5,915,576
	=====	=====

14. MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
	£	£
Profit/(loss) for the financial year	775,243	(203,170)
Opening shareholders' funds	(1,074,554)	(871,384)
	<hr/>	<hr/>
Closing shareholders' funds	£ (299,311)	£ (1,074,554)
	=====	=====

15. COMMITMENTS

Capital commitments at 31 December 1995 were as follows:-

	<u>1995</u>	<u>1994</u>
Contracted	£Nil	£Nil
Authorised but not contracted	£Nil	£Nil

16. CONTINGENT LIABILITIES

	<u>1995</u>	<u>1994</u>
Contingent liabilities under guarantee for bank facilities and the performance of contracts	£40,000 =====	£40,000 =====

17. ULTIMATE HOLDING COMPANY

The immediate holding company is DBT Deutsche Bergbau - Technik GmbH, a company registered in Germany.

The ultimate holding company is RAG Ruhrkohle AG, a company registered in Germany.