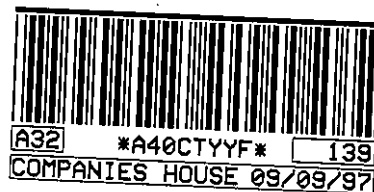


Company Number 537277

UMM LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1996



UMM LIMITED

YEAR ENDED 31 DECEMBER 1996

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UMM LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 December 1996.

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 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.

The profit to be transferred to reserves is £20,182 (1995: Profit £775,243) as set out in the profit and loss account on page 4.

Dividends

The directors do not recommend the payment of a dividend for the year ended 31 December 1996.

Directors

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

C.H. Hagemeier (Resigned 30 June 1996)  
W. Von Der Linden  
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

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

  
R.K.T. EISENMANN

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 9 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 1996 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
.....  
CLIVE OWEN & CO  
Registered Auditors  
Chartered Accountants

1 Blackwell Lane  
Darlington

11 April 1997

UMM LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 1996

		<u>1996</u>	<u>1995</u>
	<u>Note</u>	£	£
<u>TURNOVER</u>	2	22,840	42,414
Cost of sales		-	(12,569)
		<hr/>	<hr/>
<u>GROSS PROFIT</u>		22,840	29,845
Other operating income		-	33,000
Administrative expenses		(4,145)	(41,126)
		<hr/>	<hr/>
<u>OPERATING PROFIT</u>	4	18,695	21,719
Waiver of loan from parent undertaking	5	-	660,000
Interest receivable		4,099	5,404
Interest payable	6	-	(28,114)
Profit on sale of property		-	109,724
Profit on sale of investment		-	6,510
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		22,794	775,243
Taxation	7	(2,612)	-
		<hr/>	<hr/>
<u>PROFIT FOR THE FINANCIAL YEAR</u>		20,182	775,243
<u>PROFIT AND LOSS ACCOUNT BROUGHT FORWARD</u>		(6,214,887)	(6,990,130)
		<hr/>	<hr/>
<u>PROFIT AND LOSS ACCOUNT CARRIED FORWARD</u>		£ (6,194,705)	£ (6,214,887)
		=====	=====

There are no recognised gains or losses other than the profit for the financial year.

The notes on pages 6 to 9 form part of these financial statements.

UMM LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 1996

		<u>1996</u>		<u>1995</u>	
	<u>Note</u>	£	£	£	£
<u>CURRENT ASSETS</u>					
Investments	8	-		3	
Debtors	9	26,221		49,356	
Cash at bank		116,045		105,291	
		142,266		154,650	
<u>CREDITORS</u> : Amounts falling due within one year	10	(421,395)		(453,961)	
<u>NET CURRENT LIABILITIES</u>			(279,129)		(299,311)
<u>NET LIABILITIES</u>			£ (279,129)		£ (299,311)
			=====		=====
<u>CAPITAL AND RESERVES</u>					
Called up share capital	11	5,915,576		5,915,576	
Profit and loss account		(6,194,705)		(6,214,887)	
<u>SHAREHOLDERS' FUNDS</u>			£ (279,129)		£ (299,311)
			=====		=====

The notes on pages 6 to 9 form part of these financial statements.

The financial statements were approved by the Board on 11 April 1997 and signed on its behalf by:-

  
R.K.T. EISENMANN

DIRECTOR

UMM LIMITED

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>1996</u>	<u>1995</u>
Management and administration	2	2
	====	====

There were no payroll costs during the year (1995:£Nil).



#### 4. OPERATING PROFIT

Operating profit is stated after charging or crediting the following:-

	<u>1996</u>	<u>1995</u>
	£	£
Audit fee	750	1,000
Operating leases	-	(320)
	=====	=====

#### 5. EXCEPTIONAL ITEM

	<u>1996</u>	<u>1995</u>
Waiver of loan from parent undertaking	£ -	£660,000
	=====	=====

#### 6. INTEREST PAYABLE

	<u>1996</u>	<u>1995</u>
	£	£
On bank overdraft	-	28,525
On hire purchase contracts	-	(411)
	-----	-----
	£ -	£28,114
	=====	=====

#### 7. TAXATION

Other than taxation due on bank interest received at 25%, no taxation provision is considered necessary based on the current year's results. Losses available to carry forward for relief against future profits amount to £178,000 (1995:£196,000).

#### 8. INVESTMENTS

	<u>1996</u>	<u>1995</u>
Shares in group undertakings	£ -	£ 3
	=====	=====

During the year, successful application was made to have the subsidiary companies struck off the register at Companies House.

9. DEBTORS

	<u>1996</u>	<u>1995</u>
	£	£
Trade debtors	13,528	35,719
Other debtors	-	12,000
Prepayments and accrued income	12,693	1,637
	<hr/>	<hr/>
	£26,221	£49,356
	=====	=====

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1996</u>	<u>1995</u>
	£	£
Trade creditors	-	881
Taxation and social security	1,807	3,206
Amounts due to parent and fellow subsidiary undertakings	416,938	445,238
Accruals and deferred income	2,650	4,636
	<hr/>	<hr/>
	£421,395	£453,961
	=====	=====

11. SHARE CAPITAL

	<u>1996</u>	<u>1995</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
	=====	=====

12. MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1996</u>	<u>1995</u>
	£	£
Profit for the financial year	20,182	775,243
Opening shareholders' funds	(299,311)	(1,074,554)
	<hr/>	<hr/>
Closing shareholders' funds	£ (279,129)	£ (299,311)
	=====	=====

13. COMMITMENTS

Capital commitments at 31 December 1996 were as follows:-

	<u>1996</u>	<u>1995</u>
Contracted	£Nil	£Nil

14. CONTINGENT LIABILITIES

	<u>1996</u>	<u>1995</u>
Contingent liabilities under guarantee for bank facilities and the performance of contracts	£40,000	£40,000
	=====	=====

15. 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.