

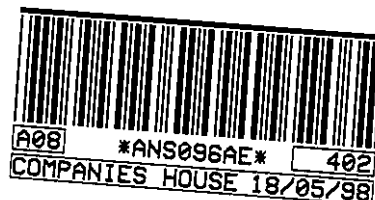
THYSSEN (GREAT BRITAIN) LIMITED

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1997

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Company Registration Number: 533513



THYSSEN (GREAT BRITAIN) LIMITED
AND ITS SUBSIDIARY COMPANIES

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 1997

The Directors submit their annual report and the audited accounts of the Group for the year ended 31st December 1997.

ACTIVITIES

The principal activities of the Group during the year were Mining, Construction, Environmental Engineering and Tunnelling Contracting, Engineering and Structural Steelwork.

REVIEW OF THE BUSINESS

As anticipated, turnover from the Group's mining activities reduced further in the review period as a result of the continued decline in the British coal mining industry, and total group turnover fell to £39.0 million. Total group loss amounted to £0.9 million.

The group loss is entirely due to contract losses in the Tunnelling Division which exceeded the very satisfactory profits achieved by all other sections of the group. The losses in the Tunnelling Division are subject to claims for which settlement is expected in 1998.

The budgeted turnover for the Group for the year 1998 has been set at the 1997 level, after allowing for further anticipated reductions in mining turnover and planned controlled growth in construction and engineering.

The outlook for 1998 is satisfactory.

DIVIDENDS AND TRANSFER TO RESERVES

The result for the year, and the transfer to reserves, are set out in the Profit and Loss Account on page 6 and note 16 on page 14 of the accounts. No dividend payment is recommended.

Continued.....

THYSSEN (GREAT BRITAIN) LIMITED
AND ITS SUBSIDIARY COMPANIES

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 1997
(Continued)

CHARITABLE DONATIONS

Charitable donations of £575 were made during the year.

EMPLOYMENT POLICIES

Senior executives are encouraged to make all the employees within their division aware of the financial and economic factors affecting the achievements of the companies for which they work, and the way in which their personal contributions to the company are of fundamental importance to the success of the business.

The Group gives full and fair consideration to applications for employment by disabled employees and encourages the career development of such persons as it is able to employ. In the event of employees becoming disabled whilst in the service of the Group every effort is made to continue their employment by transfer to alternative duties, if required.

DIRECTORS

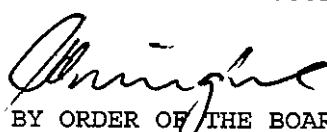
The Directors who served during the year were Dr-Ing R.Nemitz (Chairman), Dr rer pol Dr phil J.Bankmann (Deputy Chairman), Dipl-Ing W.Luthe, Dr-Ing B.Schmucker, Dipl Kfm A.Muller and Mr K.Jessup (appointed on 15.4.1997 and as Managing Director from 1.1.1998).

DIRECTORS INTERESTS IN SHARES

The Directors have no interests in the share capital of the Company. No rights to subscribe for shares in the Company were granted to or exercised by the Directors or their families during the year.

AUDITORS

The Company's auditors, Messrs Helmore, Helmore & Co, have indicated their willingness to continue in office, and a resolution will be proposed at the Annual General Meeting for their re-appointment.


BY ORDER OF THE BOARD
K.Klingbeil
Secretary

27 April 1998

**THYSSEN (GREAT BRITAIN) LIMITED
AND ITS SUBSIDIARY COMPANIES**

**ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1997**

STATEMENT OF DIRECTORS RESPONSIBILITIES

The directors are required by law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the Group, and of the profit or loss for that period. In preparing those accounts, they are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, state whether applicable accounting standards have been followed, and prepare the accounts on a going concern basis where appropriate. The directors are also responsible for maintaining adequate accounting records, safeguarding the assets of the Group, and for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS TO THE MEMBERS OF THYSSEN (GREAT BRITAIN) LIMITED

We have audited the accounts on pages 4 to 23, which have been prepared under the accounting policies set out on pages 4 and 5.

Respective Responsibilities of Directors and Auditors

As described above, the Company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 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 and the Group'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 a 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.

Opinion

In our opinion, the accounts give a true and fair view of the state of affairs of the Company and of the Group as at 31st December 1997, and of the loss and cash flows of the Group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



HELMORE, HELMORE & CO
Chartered Accountants and Registered Auditor

27 April 1998

Grosvenor Gardens House
35/37 Grosvenor Gardens
London SW1W 0BY

**THYSSEN (GREAT BRITAIN) LIMITED
AND ITS SUBSIDIARY COMPANIES**

ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

2. BASIS OF CONSOLIDATION

The group accounts consolidate the accounts of Thyssen (Great Britain) Limited and all its subsidiaries made up to 31st December each year.

3. DEPRECIATION

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives. The rates employed are as follows:-

Freehold Buildings	- 2.5%
Plant and Machinery	- 16.7%, 25% and 50%
Fixtures and Fittings	- 25%
Motor Vehicles	- 25% and 50%
Temporary Buildings	- 12.5% and 25%

No depreciation is provided on Freehold Land or Assets under Construction.

4. STOCKS AND SHORT TERM WORK IN PROGRESS

Stocks and short term work in progress are valued at the lower of cost or net realisable value. Cost includes a relevant proportion of overheads where applicable.

5. LONG TERM CONTRACTS

Long term contracts are assessed on a contract by contract basis, and reflected in the Profit and Loss Account by recording turnover and related costs as contract activity progresses. Turnover includes attributable profit where the outcome of the contract can be assessed with reasonable certainty. Work in progress on long term contracts is valued at costs incurred, net of amounts transferred to cost of sales, less foreseeable losses and payments on account not matched with turnover.

6. GOVERNMENT GRANTS

Grants relating to expenditure on tangible fixed assets are credited to Government Grant Deferred Credit account, and released to Profit and Loss Account over the useful lives of the relevant assets, to match the depreciation charged.

THYSSEN (GREAT BRITAIN) LIMITED
AND ITS SUBSIDIARY COMPANIES

ACCOUNTING POLICIES
(Continued)

7. LEASES

Finance leases are recorded by capitalising the relevant assets and showing future instalments as liabilities. The detailed information required to be disclosed by Statement of Standard Accounting Practice 21 in respect of finance leases is not given in these accounts as the amounts involved are not material. Amounts payable under operating leases are charged to Profit and Loss Account on a straight line basis over the term of the lease.

8. FOREIGN CURRENCY RATES OF EXCHANGE

All amounts due to the parent company have been translated at D.M.2.9 = £1. Other current assets and liabilities have been translated at the exchange rates ruling at 31st December 1997.

9. PENSION SCHEME CONTRIBUTIONS

Contributions to the group pension scheme are charged to Profit and Loss Account so as to spread the cost of pensions over the employees' working lives with the Group.

THYSSEN (GREAT BRITAIN) LIMITED
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1997

		1997		1996	
	Notes	£	£	£	£
TURNOVER	1	38,946,551		50,141,828	
Own Work Capitalised		237,019		54,352	
Change in Stocks of Finished Goods and Work in Progress		(180,329)		1,069,059	
		39,003,241		51,265,239	
Other Operating Income		286,835		138,188	
		39,290,076		51,403,427	
Raw Materials and Consumables		7,075,914	9,427,924		
Other External Charges		14,398,018	17,487,181		
Staff Costs	2	16,848,085	23,418,114		
Depreciation		669,545	758,203		
Other Operating Charges		1,034,527	47,670		
		40,026,089		51,139,092	
OPERATING PROFIT (LOSS)	3	(736,013)		264,335	
Interest Receivable		11,517		14,396	
Interest Payable	6	(217,483)		(212,285)	
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(941,979)		66,446	
RETAINED PROFIT (LOSS)	8	£ (941,979)		£ 66,446	

The Group made no recognised gains or losses in this or the preceding financial year other than the profit or loss for the year. All items in the Profit and Loss Account relate to continuing activities.

The notes on pages 8 to 15 form a part of these accounts.

THYSSEN (GREAT BRITAIN) LIMITED
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET
AT 31ST DECEMBER 1997

		1997	1996
	Notes	£	£
FIXED ASSETS			
Tangible Assets	9	2,837,816	3,128,496
CURRENT ASSETS			
Stocks	10	4,460,153	4,730,839
Debtors	11	5,989,537	6,230,388
Cash at Bank and in Hand		211,091	277,675
		<hr/> 10,660,781	<hr/> 11,238,902
CREDITORS: Amounts Falling Due Within One Year	12	8,655,268	9,318,819
NET CURRENT ASSETS		<hr/> 2,005,513	<hr/> 1,920,083
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 4,843,329	<hr/> 5,048,579
CREDITORS: Amounts Falling Due After One Year	13	(51,614)	(64,885)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(780,000)	(30,000)
NET ASSETS		<hr/> £ 4,011,715	<hr/> £ 4,953,694
CAPITAL AND RESERVES			
Called Up Share Capital	15	3,500,000	3,500,000
Profit and Loss Account	16	511,715	1,453,694
SHAREHOLDERS FUNDS	23	<hr/> £ 4,011,715	<hr/> £ 4,953,694

R. Nemitz *K. Jessup*
Approved by the Board on 27 April 1998
R. Nemitz, K. Jessup - Directors

The notes on pages 8 to 15 form a part of these accounts.

THYSSEN (GREAT BRITAIN) LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE GROUP ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1997

1. TURNOVER

Analysis By Activity:	1997	1996
Mining, Construction, Environmental		
Engineering and Tunnelling Contractors	33,344,454	45,667,309
Engineering and Structural Steelwork	4,746,287	3,696,728
Others	855,810	777,791
	<hr/>	<hr/>
	£ 38,946,551	£ 50,141,828
	<hr/>	<hr/>

2. STAFF PARTICULARS

Staff Costs:	1997	1996
Wages and Salaries	15,033,475	21,209,308
Social Security Costs	1,328,346	1,982,395
Other Pension Costs	486,264	226,411
	<hr/>	<hr/>
	£ 16,848,085	£ 23,418,114
	<hr/>	<hr/>

Average Weekly Number of Persons Employed:

Production	451	674
Administration	166	217
	<hr/>	<hr/>
Total	617	891
	<hr/>	<hr/>

3. OPERATING PROFIT (LOSS)

The following amounts have been included in arriving at the Operating Profit or Loss:

	1997 £	1996 £
Directors Emoluments	57,332	-
Auditors Remuneration	50,888	65,179
Hire of Equipment	3,493,369	4,211,779

The cost of other services provided in the year by the Group's auditors amounted to £28,872 (1996 - £35,838). Auditors remuneration in respect of the parent company amounted to £22,888 (1996 - £39,179).

THYSSEN (GREAT BRITAIN) LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE GROUP ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1997
(Continued)

4. STAFF PENSION SCHEME

The Group operates a pension and life assurance scheme based on final pensionable salary. The assets of the scheme are held by the scheme trustees separately from the assets of the Group.

Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the attained age method. The most recent valuation was at 1st April 1997. The assumptions which have the most significant effect on the valuation are those relating to the return on investments and the rate of increase in members earnings. It was assumed that the return on investments will be 8.5% per annum, and that members earnings will increase at an average rate of 7% per annum.

The pension charge for the year, other than the cost of life cover, was £329,235 (1996 - £Nil) and at 31st December 1997 there were arrears of contributions due to the scheme by the Group amounting to £156,241 (1996 - prepayment £103,540).

The most recent actuarial valuation showed that the value of the fund amounted to £7,623,319 and that the actuarial valuation of those assets represented 108.5% of the benefits which had accrued to members after allowing for expected future increases in earnings. Following the actuarial valuation at 1st April 1997, the trustees have decided to increase the employers contribution from 9% to 9.2% with effect from 1 April 1997 in accordance with the actuary's recommendation. Employees contributions will remain at 5%.

5. DIRECTORS EMOLUMENTS

	1997	1996
Salaries	50,037	-
Pension Scheme Contributions	5,254	-
Other Emoluments	2,041	-
	<hr/>	<hr/>
	£ 57,332	£ -
	<hr/>	<hr/>

One Director is a member of the Group's defined contribution pension scheme.

THYSSEN (GREAT BRITAIN) LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE GROUP ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1997
(Continued)

6. INTEREST PAYABLE

	1997	1996
Interest on Bank Loans and Overdafts	208,360	157,438
Other Interest	9,123	54,847
	<hr/>	<hr/>
	£ 217,483	£ 212,285
	<hr/>	<hr/>

Interest payable to group companies amounted to £8,085 (1996 - £33,319).

7. TAXATION

Losses for taxation purposes to be carried forward against future profits at 31st December 1997 amounted to approximately:

Group: £2,800,000 (1996 - £2,220,000)
Company: £ 730,000 (1996 - £ 410,000)

8. RETAINED PROFIT (LOSS)

	1997	1996
Dealt with in the accounts of the Parent Company	102,440	41,796
Retained by Subsidiary Companies	(1,044,419)	24,650
	<hr/>	<hr/>
	£ (941,979)	£ 66,446
	<hr/>	<hr/>

THYSSEN (GREAT BRITAIN) LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE GROUP ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1997
(Continued)

9. TANGIBLE FIXED ASSETS

	Land and Buildings	Plant and Machinery	Other Assets	Total
Cost				
Opening Balance	2,745,676	10,500,687	1,630,871	14,877,234
Additions	202,767	324,190	70,255	597,212
Disposals	(215,534)	(1,061,982)	(89,085)	(1,366,601)
Transfers	-	(60,342)	60,342	-
	<u>2,732,909</u>	<u>9,702,553</u>	<u>1,672,383</u>	<u>14,107,845</u>
Depreciation				
Opening Balance	785,352	9,751,069	1,212,317	11,748,738
Charge for the Year	82,466	375,963	211,116	669,545
Disposals	(11,628)	(1,051,542)	(85,084)	(1,148,254)
Transfers	-	(50,796)	50,796	-
	<u>856,190</u>	<u>9,024,694</u>	<u>1,389,145</u>	<u>11,270,029</u>
Net Book Values				
1997	<u>£1,876,719</u>	<u>£ 677,859</u>	<u>£ 283,238</u>	<u>£2,837,816</u>
1996	<u>£1,960,324</u>	<u>£ 749,618</u>	<u>£ 418,554</u>	<u>£3,128,496</u>
Land and Buildings consist of the following:				
	1997		1996	
Freehold Property	1,876,719		1,758,050	
Long Leaseholds	-		202,274	
	<u>£ 1,876,719</u>		<u>£ 1,960,324</u>	
Other Assets consist of the following:				
	1997		1996	
Office Equipment	216,036		312,614	
Motor Vehicles	4,979		12,678	
Temporary Buildings	62,223		93,262	
	<u>£ 283,238</u>		<u>£ 418,554</u>	

THYSSEN (GREAT BRITAIN) LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE GROUP ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1997
(Continued)

10. STOCKS

	1997	1996
Raw Materials and Consumables	1,277,264	1,367,621
Work in Progress:		
Long Term Contracts - Gross	11,720,393	19,045,790
Less: Progress Payments Received and Receivable	10,964,892	18,698,883
	755,501	346,907
Short Term Contracts	1,327,440	2,314,782
Engineering	918,348	532,680
	3,001,289	3,194,369
Finished Goods and Goods for Resale	181,600	168,849
	£ 4,460,153	£ 4,730,839

11. DEBTORS

	1997	1996
Trade Debtors	5,696,369	5,899,775
Other Debtors	179,368	207,692
Prepayments and Accrued Income	113,800	122,921
	£ 5,989,537	£ 6,230,388

Trade Debtors includes £327,670 (1996 - £623,043) relating to amounts recoverable on long term contracts. All debtors fall due within one year.

THYSSEN (GREAT BRITAIN) LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE GROUP ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1997
(Continued)

12. CREDITORS: Amounts Falling Due Within One Year

	1997	1996
Bank Loans and Overdrafts (Note 22)	3,217,434	2,915,378
Trade Creditors	3,906,676	4,456,134
Amounts Owed to Group Undertakings	29,363	435,011
Taxation and Social Security	745,681	1,145,764
Other Creditors	508,886	31,951
Accruals and Deferred Income	247,228	334,581
	<hr/>	<hr/>
	£ 8,655,268	£ 9,318,819
	<hr/>	<hr/>

13. CREDITORS: Amounts Falling Due After One Year

	1997	1996
Government Grant Deferred Credit	45,970	51,716
Finance Lease Instalments	5,644	13,169
	<hr/>	<hr/>
	£ 51,614	£ 64,885
	<hr/>	<hr/>

14. PROVISIONS FOR LIABILITIES AND CHARGES

Nature of Provision	Brought Forward	Profit & Loss Account Transfer	Carried Forward
Bad Debts	30,000	-	30,000
Future Losses on Contracts	-	750,000	750,000
	<hr/>	<hr/>	<hr/>
	£ 30,000	£ 750,000	£ 780,000
	<hr/>	<hr/>	<hr/>

THYSSEN (GREAT BRITAIN) LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE GROUP ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1997
(Continued)

15. SHARE CAPITAL

	1997	1996
Authorised, Issued and Fully Paid: 3,500,000 Ordinary Shares of £1 each	£ 3,500,000	£ 3,500,000

16. PROFIT AND LOSS ACCOUNT

	1997	1996
Balance Brought Forward	1,453,694	1,387,248
Retained Profit (Loss) for the Year	(941,979)	66,446
Balance Carried Forward	£ 511,715	£ 1,453,694

17. PARENT COMPANY AND ULTIMATE HOLDING COMPANY

The Company is a wholly owned subsidiary of Thyssen Schachtbau GmbH which is incorporated in the Federal Republic of Germany. That company is the parent company of the only group of undertakings of which the Company is a member, and for which group accounts are prepared.

18. RELATED PARTY TRANSACTIONS

The Group had no material transactions with related parties during the year. Balances with related parties at 31st December 1997 were as follows:

Amount due to Thyssen Schachtbau GmbH (parent company)	£ 29,363
--	----------

19. CONTINGENT LIABILITIES

At 31st December 1997 there were contingent liabilities in respect of indemnities given against guarantees and bonds given by bankers on behalf of the Group amounting to £1,146,094 (1996 - £3,003,152). A subsidiary company had a contingent liability in respect of insurance commission received on an indemnity basis amounting to £180,000 (1996 - £120,000).

THYSSEN (GREAT BRITAIN) LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE GROUP ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1997
(Continued)

20. COMMITMENTS FOR CAPITAL EXPENDITURE

Amounts contracted for but not provided in the accounts amounted to £7,500 (1996 - £16,885).

21. OPERATING LEASE COMMITMENTS

Amounts due in the next year in respect of leases of Motor Vehicles:

Agreements Expiring Next Year	87,682
Agreements Expiring in One to Five Years	174,429
	<hr/>
	£ 262,111
	<hr/>

22. SECURED LIABILITIES

Bank overdrafts of £2,033,890 are secured by legal charges on land and buildings of the Group. Bank overdrafts of £1,641,557 are further secured by charges on the book debts of Thyssen (Great Britain) Limited, Thyssen Construction Limited and Thyssen Engineering Limited.

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1997	1996
Total Recognised Gains and Losses for the Year	(941,979)	66,446
Movement in Shareholders Funds	<hr/> (941,979) <hr/>	<hr/> 66,446 <hr/>
Opening Shareholders Funds	4,953,694	4,887,248
Closing Shareholders Funds	<hr/> £ 4,011,715 <hr/>	<hr/> £ 4,953,694 <hr/>

THYSSEN (GREAT BRITAIN) LIMITED
AND ITS SUBSIDIARY COMPANIES

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 1997

	Notes	1997		1996	
		£	£	£	£
Net Cash Inflow from Operating Activities	1		28,527		1,230,836
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest Received		11,517		14,396	
Interest Paid		(217,483)		(212,285)	
			(205,966)		(197,889)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Payments to Acquire Tangible Fixed Assets		(597,212)		(450,318)	
Receipts from Sales of Tangible Fixed Assets		406,011		45,916	
			(191,201)		(404,402)
INCREASE (DECREASE) IN CASH	2	£	(368,640)	£	628,545

THYSSEN (GREAT BRITAIN) LIMITED
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 1997

1. RECONCILIATION OF OPERATING PROFIT (LOSS) TO NET
CASH INFLOW FROM OPERATING ACTIVITIES

	1997	1996
Operating Profit (Loss)	(736,013)	264,335
Depreciation Charges	669,545	758,203
Profit on Disposals of Tangible Fixed Assets	(187,664)	(22,467)
Transfers to Provisions	750,000	(42,000)
Movement in Stocks	270,686	(1,078,365)
Movement in Debtors	240,851	3,684,022
Movement in Creditors	(978,878)	(2,332,892)
	<hr/>	<hr/>
Net Cash Inflow from Operating Activities	£ 28,527	£ 1,230,836
	<hr/>	<hr/>

2. RECONCILIATION OF NET CASH FLOW
TO MOVEMENT IN NET DEBT

	1997	1996
Increase (Decrease) in Cash	(368,640)	628,545
Change in Net Debt	(368,640)	628,545
Net Debt at Beginning of Period	(2,637,703)	(3,266,248)
	<hr/>	<hr/>
Net Debt at End of Period	£ (3,006,343)	£ (2,637,703)
	<hr/>	<hr/>

3. ANALYSIS OF CHANGES IN NET DEBT


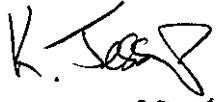
	At 1.1.1997	Cash Flows	At 31.12.1997
Cash at Bank and In Hand	277,675	(66,584)	211,091
Bank Overdrafts	(2,915,378)	(302,056)	(3,217,434)
	<hr/>	<hr/>	<hr/>
	£ (2,637,703)	£ (368,640)	£ (3,006,343)
	<hr/>	<hr/>	<hr/>

THYSSEN (GREAT BRITAIN) LIMITED

BALANCE SHEET

AT 31ST DECEMBER 1997

		1997		1996	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	1		1,364,149		1,594,708
Investments	2		551,331		138,261
			<u>1,915,480</u>		<u>1,732,969</u>
CURRENT ASSETS					
Stocks	3	1,264,326		1,407,631	
Debtors	4	4,403,367		5,793,048	
Cash at Bank and in Hand		33,752		246,186	
		<u>5,701,445</u>		<u>7,446,865</u>	
CREDITORS: Amounts Falling Due Within One Year	5	3,329,297		4,471,122	
NET CURRENT ASSETS			<u>2,372,148</u>		<u>2,975,743</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,287,628</u>		<u>4,708,712</u>
CREDITORS: Amounts Falling Due After One Year	6		(45,970)		(51,716)
PROVISIONS FOR LIABILITIES AND CHARGES	7		(10,000)		(10,000)
NET ASSETS		£	<u>4,231,658</u>	£	<u>4,646,996</u>
CAPITAL AND RESERVES					
Called Up Share Capital	8		3,500,000		3,500,000
Profit and Loss Account	9		731,658		1,146,996
			<u>£ 4,231,658</u>		<u>£ 4,646,996</u>



 Approved by the Board on 27 April 1998
 R. Nemitz, K. Jessup - Directors

The notes on pages 19 to 23 form a part of these accounts.

THYSSEN (GREAT BRITAIN) LIMITED

NOTES TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST DECEMBER 1997

1. TANGIBLE FIXED ASSETS

	Land and Buildings	Plant and Machinery	Other Assets	Total
Cost				
Opening Balance	1,849,398	7,830,002	981,336	10,660,736
Additions	-	16,582	41,211	57,793
Disposals	(3,360)	(780,462)	(61,132)	(844,954)
Transfers	-	(29,383)	29,383	-
	<u>1,846,038</u>	<u>7,036,739</u>	<u>990,798</u>	<u>9,873,575</u>
Depreciation				
Opening Balance	662,296	7,678,684	725,048	9,066,028
Charge for the Year	58,809	78,817	140,029	277,655
Disposals	-	(776,960)	(57,297)	(834,257)
Transfers	-	(28,273)	28,273	-
	<u>721,105</u>	<u>6,952,268</u>	<u>836,053</u>	<u>8,509,426</u>
Net Book Values				
1997	<u>£1,124,933</u>	<u>£ 84,471</u>	<u>£ 154,745</u>	<u>£1,364,149</u>
1996	<u>£1,187,102</u>	<u>£ 151,318</u>	<u>£ 256,288</u>	<u>£1,594,708</u>

Land and buildings consist entirely of freehold property interests.

Other Assets consist of the following:

	Net Book Value	
	1997	1996
Office Equipment	125,499	201,753
Motor Vehicles	4,329	11,751
Temporary Buildings	24,917	42,784
	<u>£ 154,745</u>	<u>£ 256,288</u>

THYSSEN (GREAT BRITAIN) LIMITED

NOTES TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST DECEMBER 1997
(Continued)

2. FIXED ASSET INVESTMENTS

Shares in Group Undertakings	1997	1996
Brought Forward at Cost	736,331	736,331
Amounts Written Off:		
Brought Forward	598,070	693,750
Charge (Credit) for the Year	(413,070)	(95,680)
	<hr/> 185,000	<hr/> 598,070
	<hr/> £ 551,331	<hr/> £ 138,261

Subsidiary Undertakings	Shares Held	% of Nominal Value	Nature of Business
Berwic Insurance Consultants Limited	Ordinary	100.00	Insurance Consultants
T.Bridges and Company Limited	Ordinary	100.00	Mining Contractors
Thyssen Construction Limited	Ordinary	100.00	Construction
Thyssen Engineering Limited	Ordinary	100.00	Engineering
Thyssen Environmental Limited	Ordinary	100.00	Environmental Engineering
Thyssen Tunnelling Limited	Ordinary	92.78	Tunnelling Contractors

All the above companies are incorporated in Great Britain.

THYSSEN (GREAT BRITAIN) LIMITED

NOTES TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST DECEMBER 1997
(Continued)

3. STOCKS

	1997	1996
Raw Materials and Consumables	1,111,726	1,200,797
Work in Progress:		
Long Term Contracts - Gross	3,181,391	7,181,453
Less: Progress Payments Received and Receivable	3,181,391	7,181,453
	-	-
Short Term Contracts	-	66,985
	-	66,985
Finished Goods and Goods for Resale	152,600	139,849
	£ 1,264,326	£ 1,407,631

4. DEBTORS

	1997	1996
Trade Debtors	1,235,058	1,705,280
Amounts Owed by Group Undertakings	2,915,274	3,796,811
Other Debtors	174,258	196,261
Prepayments and Accrued Income	78,777	94,696
	£ 4,403,367	£ 5,793,048

Trade Debtors includes £94,623 (1996 - £489,770) relating to amounts recoverable on long term contracts. Of Amounts Owed by Group Undertakings, £2,051,049 (1996-fnil) falls due after one year. All other debtors fall due within one year.

THYSSEN (GREAT BRITAIN) LIMITED

NOTES TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST DECEMBER 1997
(Continued)

5. CREDITORS: Amounts Falling Due Within One Year

	1997	1996
Bank Loans and Overdrafts	1,183,545	950,441
Trade Creditors	252,555	697,731
Amounts Owed to Group		
Undertakings	29,363	721,238
Taxation and Social Security	736,448	1,145,676
Other Creditors	931,158	660,455
Accruals and Deferred Income	196,228	295,581
	<hr/>	<hr/>
	£ 3,329,297	£ 4,471,122
	<hr/>	<hr/>

6. CREDITORS: Amounts Falling Due After One Year

	1997	1996
Government Grant Deferred Credit	£ 45,970	£ 51,716
	<hr/>	<hr/>

7. PROVISIONS FOR LIABILITIES AND CHARGES

Nature of Provision	Brought Forward	Profit & Loss Account Transfer	Carried Forward
Bad Debts	10,000	-	10,000
	<hr/>	<hr/>	<hr/>
	£ 10,000	£ -	£ 10,000
	<hr/>	<hr/>	<hr/>

THYSSEN (GREAT BRITAIN) LIMITED

NOTES TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST DECEMBER 1997
(Continued)

8. SHARE CAPITAL

	1997	1996
Authorised, Issued and Fully Paid:		
3,500,000 Ordinary Shares of £1 each	£ 3,500,000	£ 3,500,000

9. PROFIT AND LOSS ACCOUNT

No profit and loss account is presented for the parent company as permitted by Section 230, Companies Act 1985. The loss for the financial year of the parent company amounted to £415,338 (1996 -loss £26,060).

10. CHARGE ON ASSETS

Land and buildings with a book value of £1,077,197, bank balances with a value of £29,412 and the Company's book debts have been charged to secure the overdraft facilities of group companies.

11. CONTINGENT LIABILITIES

The Company had a contingent liability of £1,670,969 at 31st December 1997 arising from guarantees given on subsidiary companies overdrafts (1996 - £1,377,470), and a further contingent liability in respect of a subsidiary company which the Company has undertaken to support of £1,023,752 (1996 - £nil). There are also contingent liabilities in respect of indemnities given against guarantees and bonds given by bankers on behalf of the group amounting to £1,146,094 (1996 - £3,003,152).