

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

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2001**

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Directors:

**Count C.L. Zichy-Thyssen  
K.W. Jessup  
J.D. Jones  
Dr. P.M. Rudhart  
A.G. Pearson**

Secretary and Registered Office:

**K. Klingbeil  
Langthwaite Grange, South Kirkby, Pontefract,  
West Yorkshire. WF9 3AP.**

Company Number:

**533513**

Auditors:

**Helmores  
Chartered Accountants and Registered Auditors,  
Grosvenor Gardens House,  
35-37 Grosvenor Gardens,  
London SW1W 0BY.**

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

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2001**

The Directors present their annual report together with the audited Financial Statements for the Group for the year ended 31st December 2001.

**ACTIVITIES**

The principal activities of the Group during the year were Construction, Mining, Environmental Engineering, Engineering and Insurance.

**REVIEW OF THE BUSINESS**

In accordance with the business plan the Group continued to expand in the year 2001. For the second year running the growth rate exceeded 30% with turnover rising to £61.8m. The bulk of the turnover was generated by the construction business which provided 66% of Group turnover, but strong growth was also achieved in the mining and engineering businesses.

Capital investments of £1m were made, the majority of it in trenchless directional drilling technology as part of a strategy of diversifying away from the declining coal mining contracting business.

Profit margins were by and large satisfactory but losses on two contracts in the Construction Division and start-up losses in Ireland depressed the overall pre-tax profit.

The Group is committed to continued growth with construction as the core activity. On the strength of an Order Book of some £30m the Group is optimistic that it will achieve further growth with satisfactory profit in the year 2002.

**RESULT, DIVIDENDS AND TRANSFER TO RESERVES**

The result of the Group for the year, and the transfer to reserves, are set out in the Profit and Loss Account on page 4 and note 18 on page 16 of the accounts. It is the decision of the Board that the Dividend to be paid for the year is £220,000.00.

**POST BALANCE SHEET EVENT**

In March 2002, due to catastrophic flooding at Longannet Colliery, The Scottish Coal (Deep Mine) Company Limited ceased trading and has been placed in provisional liquidation. Whereas the company will incur bad debts, redundancy and other costs, there is substantial insurance cover in place. Consequently, the directors expect the effect on the financial results of the company to be minimal and do not consider it necessary to make any adjustments to the accounts. Full details are shown in note 21 to the accounts.

**CHARITABLE AND POLITICAL CONTRIBUTIONS**

Charitable contributions of £878 were made during the year.

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

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST DECEMBER 2001  
(Continued)**

**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 Count C.L. Zichy-Thyssen (Chairman), Mr. K.W. Jessup, Mr. J.D. Jones (Managing Director) and Dr. P.M. Rudhart.

Mr. A.G. Pearson was appointed as a Director on 1st March 2002.

**DIRECTORS INTERESTS IN SHARES**

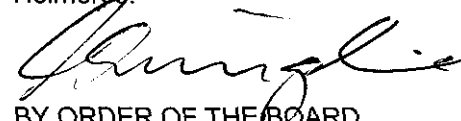
The Directors have no interests in the share capital of the Company. No rights to subscribe for shares in the Company were granted to or exercised by the Directors or their families during the year.

**STATEMENT OF DIRECTORS RESPONSIBILITIES**

The directors are required by 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 of the Group, and of the profit or loss for that period. In preparing those Financial Statements, 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 Financial Statements 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.

**AUDITORS**

Messrs BDO Stoy Hayward resigned as auditors during the year and Messrs Helmores were appointed in their place. A resolution will be proposed at the annual general meeting for the re-appointment of Messrs Helmores.



BY ORDER OF THE BOARD  
K. Klingbeil  
Secretary  
19th April 2002

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THYSSEN (GREAT BRITAIN) LIMITED**

We have audited the financial statements on pages 4 to 25 of Thyssen (Great Britain) Limited and its subsidiaries for the year ended 31st December 2001 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 and of the group's affairs as at 31st December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HELMORES

Chartered Accountants and Registered Auditors

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

23 April 2002

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

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 2001**

		2001		2000	
	Notes	£	£	£	£
TURNOVER	2	63,442,683		47,483,251	
Less: Joint venture	2	1,682,445		-	
		<u>61,760,238</u>		<u>47,483,251</u>	
Own Work Capitalised		33,407		377,720	
Change in Stocks of Finished Goods and Work in Progress		451,268		(19,488)	
		<u>62,244,913</u>		<u>47,841,483</u>	
Exceptional Item - Write Back Provision for Claims		205,000		-	
Exceptional Item - Claim Income		-		405,000	
Other Operating Income		225,848		93,968	
		<u>62,675,761</u>		<u>48,340,451</u>	
Raw Materials and Consumables		11,323,499	7,923,617		
Other External Charges		31,665,424	23,144,191		
Staff Costs	3	18,767,169	15,827,263		
Depreciation		<u>613,312</u>	<u>470,068</u>		
		<u>62,369,404</u>		<u>47,365,139</u>	
GROUP OPERATING PROFIT	4	306,357		975,312	
Share of operating profit in joint venture		224,326		-	
		<u>530,683</u>		<u>975,312</u>	
OPERATING PROFIT		530,683		975,312	
Interest Receivable		5,908		45,846	
Interest Payable	7	(82,022)		(42,498)	
		<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		<u>978,660</u>	
		454,569			
Tax on Profit on Ordinary Activities	8	(66,607)		-	
		<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		<u>978,660</u>	
		387,962			
Dividend Payable		(220,000)		-	
		<u>RETAINED PROFIT</u>		<u>978,660</u>	
	9	£ 167,962		£	

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 7 to 19 form a part of these accounts.

**THYSSEN (GREAT BRITAIN) LIMITED  
AND ITS SUBSIDIARY COMPANIES**
**CONSOLIDATED BALANCE SHEET  
AT 31ST DECEMBER 2001**

		2001		2000	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	10		3,671,744		3,484,329
Investments	11		273,834		-
			<u>3,945,578</u>		<u>3,484,329</u>
<b>CURRENT ASSETS</b>					
Stocks	12	694,428		661,852	
Debtors	13	16,322,400		10,744,277	
Cash at Bank and in Hand		6,996		761,292	
			<u>17,023,824</u>		<u>12,167,421</u>
CREDITORS: Amounts Falling Due Within One Year	14	13,383,800		8,094,630	
			<u>3,640,024</u>		<u>4,072,791</u>
NET CURRENT ASSETS					
			<u>7,585,602</u>		<u>7,557,120</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS: Amounts Falling Due After One Year	15		424,126		159,154
PROVISIONS FOR LIABILITIES AND CHARGES	16		-		404,452
			<u>£ 7,161,476</u>		<u>£ 6,993,514</u>
NET ASSETS					
<b>CAPITAL AND RESERVES</b>					
Called Up Share Capital	17		3,500,000		3,500,000
Profit and Loss Account	18		3,661,476		3,493,514
			<u>£ 7,161,476</u>		<u>£ 6,993,514</u>
SHAREHOLDERS FUNDS	26				

Approved by the Board on 19th April 2002  
K.W. Jessup, J.D. Jones - Directors



The notes on pages 7 to 19 form a part of these accounts.

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

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST DECEMBER 2001**

		2001		2000	
	Notes	£	£	£	£
Net Cash (Outflow)/Inflow from Operating Activities	27	(1,333,819)		2,153,263	
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest Received		5,908		45,846	
Interest Paid		(82,022)		(42,498)	
		<hr/>		<hr/>	
Net Cash (Outflow)/Inflow from Returns on Investment and Servicing of Finance		(76,114)		3,348	
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Payments to Acquire Tangible Fixed Assets		(301,887)		(1,013,601)	
Receipts from Sale of Tangible Fixed Assets		221,919		67,076	
Investment in joint venture		(273,834)		-	
		<hr/>		<hr/>	
Net Cash Outflow from Capital Expenditure and Financial Investments		(353,802)		(946,525)	
FINANCING					
Finance leases - repayments	28	(272,342)		-	
		<hr/>		<hr/>	
(DECREASE)/INCREASE IN CASH IN THE YEAR	28	£ (2,036,077)		£ 1,210,086	
		<hr/>		<hr/>	

The notes on page 19 form a part of this statement.

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

**NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2001**

**1. ACCOUNTING POLICIES**

**a. BASIS OF ACCOUNTING**

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

**b. 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.

**c. 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.

**d. STOCKS AND SHORT TERM WORK IN PROGRESS**

Stocks are valued at the lower of cost or net realisable value. Cost includes a relevant proportion of overheads where applicable.

**e. TURNOVER**

Turnover comprises the net invoiced value of sales of all activities, including commissions and fees on insurance business, excluding value added tax, to customers outside the group. This includes turnover on Long Term Contracts.

**f. 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. Costs incurred, net of amounts transferred to cost of sales, less foreseeable losses and payments on account not matched with turnover, are shown within amounts recoverable on contracts.

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

**NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2001  
(Continued)**

**1. ACCOUNTING POLICIES  
(Continued)**

**g. 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.

**h. LEASES**

Finance leases are recorded by capitalising the relevant assets and showing future instalments as liabilities. Assets held under finance leases are depreciated over the useful life of equivalent owned assets. Amounts payable under operating leases are charged to Profit and Loss Account on a straight line basis over the term of the lease.

**i. FOREIGN CURRENCY RATES OF EXCHANGE**

All amounts due to the parent company have been translated at €1.6 = £1. Other current assets and liabilities have been translated at the exchange rates ruling at 31st December 2001.

**j. PENSION SCHEME CONTRIBUTIONS**

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

**k. DEFERRED TAXATION**

Deferred taxation is provided for, using the liability method, to the extent that it is likely that a liability will crystallise in the foreseeable future.

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

**NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2001  
(Continued)**

**2. TURNOVER**

	2001	2000
Analysis By Activity:		
Mining, Construction, Environmental Engineering and Tunnelling Contractors	54,103,812	42,266,940
Engineering and Structural Steelwork	6,727,285	4,439,692
Others	929,141	776,619
Joint Venture	1,682,445	-
	<hr/>	<hr/>
	£ 63,442,683	£ 47,483,251
	<hr/>	<hr/>

All turnover arises in the UK with the exception of construction turnover of £2,988,073 arising in the Republic of Ireland.

**3. EMPLOYEES**

	2001	2000
Staff Costs consist of :		
Wages and Salaries	16,479,777	14,033,141
Social Security Costs	1,452,710	1,226,448
Other Pension Costs	834,682	567,674
	<hr/>	<hr/>
	£ 18,767,169	£ 15,827,263
	<hr/>	<hr/>

**Average Weekly Number of Persons Employed:**

Production	370	363
Administration	222	172
	<hr/>	<hr/>
Total	592	535
	<hr/>	<hr/>

**4. OPERATING PROFIT**

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

	2001 £	2000 £
Auditors Remuneration	47,921	57,300
Hire of Equipment	6,094,898	4,016,285
Depreciation of Fixed Assets	613,312	470,068
Profit on Disposal Of Fixed Assets	31,034	51,270
	<hr/>	<hr/>

The cost of other services provided in the year by the Group's auditors amounted to £19,543 (2000 - £21,495). Auditors remuneration in respect of the parent company amounted to £12,021 (2000 - £17,300).

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

**NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2001  
(Continued)**

**5. STAFF PENSION SCHEME**

**(a) Pensions**

The Group operates a pension and life assurance scheme based on final pensionable salary which was closed to new entrants as at 31 March 2001. The Group operates a pension and life assurance scheme based on defined contributions which came into effect on 1 April 2001. The assets of the schemes are held by the schemes' trustees separately from the assets of the Group.

Contributions to the final pension salary 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 2000. 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 £435,830 (2000 - £338,637) and at 31st December 2001 there were arrears of contributions due to the scheme by the Group amounting to £58,869 (2000 - £Nil).

The most recent actuarial valuation showed that the value of the final pensionable salary fund amounted to £9,423,600 and that the actuarial valuation of those assets represented 107.9% of the benefits which had accrued to members after allowing for expected future increases in earnings. Following the actuarial valuation at 1st April 2000, the trustees decided to take an employer's contribution holiday for one year commencing 1st April 2000 and to increase the long-term employer's contribution rate to 14% of relevant pensionable salaries with effect from 1st April 2001 in accordance with the actuary's recommendation. Employees' contributions remain at 5%.

Employer's contributions to the defined benefits scheme are 7% and Employees' contributions are 5%. The pension charge for the year, other than the cost of life cover, was £55,721 (2000 - £Nil) and at 31st December 2001 there were arrears of contributions due to the scheme by the Group amounting to £18,022 (2000 - £Nil).

**(b) Pensions - FRS17 Retirement Benefits**

This relates only to The Pension and life Assurance Plan of Thyssen (Great Britain) Ltd which is not the only scheme of the Company.

The scheme is a defined benefit type scheme.

The most recent actuarial valuation for accounting purposes was as at 1 April 2000.

The contributions made in the period 1 January 2001 to 31 December 2001 for the company were nil between 1 January 2001 and 31 March 2001 and a rate of 14% of Pensionable Salaries between 1 April 2001 and 31 December 2001 and for the members were 5% of Pensionable Salaries. Insurance premiums were payable in addition.

The age profile of the membership is rising and consequently the current service cost will increase.

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

**NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2001  
(Continued)**

**5(b) Pensions - FRS17 Retirement Benefits  
(Continued)**

The assumptions used for calculating the liabilities as at 31 December 2001 were as follows:

Inflation:	2.4%
Salary Escalation:	4.4%
Increase to pensions in payment:	2.25% where subject to LP1
Increases in deferment:	2.4%
Discount Rate (pre and post retirement):	5.8%

The fair value of the assets at 31 December 2001 and the expected rate of return for each category of assets is as follows:

Group Pension Contract	£10.4m	6.7%
------------------------	--------	------

The scheme has a number of purchased annuities in respect of past retirements. These are understood to fully match the relevant liabilities and so have been excluded from both the assets and the liabilities.

The deficit at 31 December 2001 was £3.0m being the difference between the fair value of the assets of £10.4m and the present value of the liabilities on the above assumptions of £13.4m. But see part (a) of this note which uses different assumptions compared with the FRS 17 disclosure.

**6. DIRECTORS**

Directors' emoluments consist of:

	2001	2000
Salaries	151,335	78,265
Pension Scheme Contributions	11,454	3,686
Other Emoluments	3,445	5,922
	<hr/>	<hr/>
	£166,234	£ 87,873
	<hr/>	<hr/>

Two Directors are members of the Group's defined benefits pension scheme.

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

**NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2001  
(Continued)**

7. INTEREST PAYABLE

	2001	2000
Interest on Bank Loans and Overdrafts	61,921	37,823
Interest on Finance Leases	18,084	3,337
Other Interest	2,017	1,338
	<hr/>	<hr/>
	£ 82,022	£ 42,498
	<hr/>	<hr/>

Interest payable to group companies amounted to £2,017 (2000 - £1,338).

8. TAXATION

The tax charge arising in the current year is £66,607 (2000 - Nil). This charge includes an amount for the share of profit in joint ventures of £47,108. Losses for taxation purposes to be carried forward against future profits at 31<sup>st</sup> December 2001 amounted to approximately:

Group: £140,000 (2000 - £460,000)  
Company: £Nil (2000 - £280,000)

There is no taxation deferred by accelerated capital allowances and no provision has been made at 31st December 2001 (2000 - £Nil).

9. RETAINED PROFIT

	2001	2000
Dealt with in the accounts of the Parent Company	62,050	833,239
Retained by Subsidiary Companies	105,912	145,421
	<hr/>	<hr/>
	£ 167,962	£ 978,660
	<hr/>	<hr/>

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

**NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2001  
(Continued)**

**10. TANGIBLE FIXED ASSETS**

	Land and Buildings	Plant and Machinery	Other Assets	Totals
Cost				
Opening Balance	3,258,186	8,175,339	1,666,591	13,100,116
Additions	40,737	792,613	158,262	991,612
Disposals	-	(1,498,128)	(183,992)	(1,682,120)
	<hr/>	<hr/>	<hr/>	<hr/>
	3,298,923	7,469,824	1,640,861	12,409,608
Depreciation				
Opening Balance	1,144,678	7,122,471	1,348,638	9,615,787
Charge for the Year	108,645	365,906	138,761	613,312
Disposals	-	(1,329,690)	(161,545)	(1,491,235)
	<hr/>	<hr/>	<hr/>	<hr/>
	1,253,323	6,158,687	1,325,854	8,737,864
Net Book Values				
2001	£2,045,600	£1,311,137	£ 315,007	£3,671,744
	<hr/>	<hr/>	<hr/>	<hr/>
2000	£2,113,508	£1,052,868	£ 317,953	£3,484,329
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of fixed assets of £3,671,744 includes an amount of £630,041 in respect of assets held under finance leases. The depreciation allocated to assets held under finance leases for the year is £85,300.

Land and Buildings consists of freehold property interests with the exception of a leasehold property which has a net book value of £18,636.

Other Assets consist of the following:

	2001	2000
Office Equipment	305,132	280,928
Motor Vehicles	9,875	32,822
Temporary Buildings	-	4,203
	<hr/>	<hr/>
	£ 315,007	£ 317,953
	<hr/>	<hr/>

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

**NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2001  
(Continued)**

**11. FIXED ASSET INVESTMENTS**

	2001	2000
Investment in joint venture		
Share of assets:		
Fixed assets	649,690	-
Current assets	437,822	-
	<hr/>	<hr/>
Total assets	1,087,512	-
	<hr/>	<hr/>
Share of liabilities:		
Liabilities due within one year	423,416	-
Liabilities due after more than One year	390,262	-
	<hr/>	<hr/>
Total liabilities	813,678	-
	<hr/>	<hr/>
Share of net assets at 31 December	£273,834	£ -
	<hr/>	<hr/>

The company holds a 26% interest in Thyssen Mining International, a joint venture project in Ireland. There are no specific rights or constraints attached to the company's share which differ from the other investors' shares. Unaudited accounts for the period from commencement to 31 December 2001 have been produced from which the above amounts have been taken in respect of the company's share.

The business of the joint venture is that of Mine Development Work.

At 31 December 2001 there were no balances due between the company and the joint venture.

**12. STOCKS**

	2001	2000
Raw Materials and Consumables	£ 694,428	£ 661,852
	<hr/>	<hr/>

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

**NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2001  
(Continued)**

**13. DEBTORS**

	2001	2000
Trade Debtors	8,378,928	6,311,122
Amounts Recoverable on Contracts	7,014,381	3,804,006
Amounts Owed by Parent Undertaking	-	18,419
Other Debtors	170,696	476,681
Prepayments and Accrued Income	758,395	134,049
	<hr/>	<hr/>
	£16,322,400	£10,744,277
	<hr/>	<hr/>

All debtors fall due within one year.

**14. CREDITORS: Amounts Falling Due Within One Year**

	2001	2000
Bank Loans and Overdrafts (Note 25)	1,291,879	10,098
Trade Creditors	9,491,002	6,176,578
Amounts Owed to Parent Undertaking	617,156	-
Taxation and Social Security	1,392,480	1,205,585
Other Creditors	96,309	169,033
Finance Leases	226,767	50,667
Accruals and Deferred Income	268,207	482,669
	<hr/>	<hr/>
	£13,383,800	£ 8,094,630
	<hr/>	<hr/>

**15. CREDITORS: Amounts Falling Due After One Year**

	2001	2000
Government Grant Deferred Credit	106,843	83,154
Finance Lease Instalments	317,283	76,000
	<hr/>	<hr/>
	£424,126	£159,154
	<hr/>	<hr/>

All finance leases expire within a period of five years.

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

**NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2001  
(Continued)**

16. PROVISIONS FOR LIABILITIES AND CHARGES

Nature of Provision	Brought Forward	Profit & Loss Account Transfer	Carried Forward
Future Losses on Contracts	199,452	(199,452)	-
Insurance Pension Review	205,000	(205,000)	-
	<hr/>	<hr/>	<hr/>
	£ 404,452	£ (404,452)	£ -
	<hr/>	<hr/>	<hr/>

17. SHARE CAPITAL

	2001	2000
Authorised, Issued and Fully Paid: 3,500,000 Ordinary Shares of £1 each	£ 3,500,000	£ 3,500,000
	<hr/>	<hr/>

18. PROFIT AND LOSS ACCOUNT

	2001	2000
Balance Brought Forward	3,493,514	2,514,854
Retained Profit for the Year	167,962	978,660
	<hr/>	<hr/>
Balance Carried Forward	£ 3,661,476	£ 3,493,514
	<hr/>	<hr/>

19. PARENT COMPANY AND ULTIMATE CONTROLLING COMPANY

The Company is a wholly owned subsidiary of Thyssen Schachtbau GmbH which is incorporated in Germany. That company is the parent company of the only group of undertakings of which the Company is a member, and for which group Financial Statements are prepared. Copies of the Group Accounts for Thyssen Schachtbau GmbH can be obtained from Thyssen (GB) Ltd., Langthwaite Road, Langthwaite Grange, South Kirkby, Pontefract, West Yorkshire, WF9 3AP.

Thyssen Schachtbau GmbH is the ultimate controlling party of the company.

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

**NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2001  
(Continued)**

**20. RELATED PARTY TRANSACTIONS**

Thyssen Insurance Group Ltd., a wholly owned subsidiary of Thyssen (Great Britain) Limited, received income from charges to consolidated affiliated companies of the Parent Company, Thyssen Schachtbau GmbH, in respect of the provision of Insurance Brokerage services amounting to £50,366 (2000 - £198,930).

The balances with related parties at 31st December 2001 are shown in note 14.

**21. POST BALANCE SHEET EVENTS**

The company carries on deep mine development activities. In March 2002 the mine-works at Longannet Colliery in Fife were subject to flooding. This resulted in the mine closing down and damage occurring to 2 underground tunnelling machines and ancillary plant. The customer, The Scottish Coal (Deep Mine) Company Limited, is in provisional liquidation and has ceased to trade. There are unpaid debts at the date of the event, which are subject to debt insurance claims. In addition, the tunnelling machines and plant are subject to insurance claims. The directors do not consider it necessary to make any adjustments to the accounts for the claims and losses arising from this event.

The potential financial claims and losses arising as a result of this event are as follows:

	At 31.12.2001	At Date of event
Bad debt (net of VAT)	973,419	1,068,149
Amount subject to credit insurance claim	786,077	665,123
	<hr/>	<hr/>
Net loss as a result of bad debt	£ 187,342	£ 403,026
	<hr/>	<hr/>
Redundancy payments		£ 211,933
		<hr/>
Book Value of equipment lost		£ 89,628
Claim against loss of equipment - expected minimum		£ 800,000
		<hr/>

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

**NOTES TO THE GROUP ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 2001  
(Continued)**

**22. CONTINGENT LIABILITIES**

At 31st December 2001 there were contingent liabilities in respect of indemnities given against guarantees and bonds given by Insurance Companies on behalf of the Group amounting to £2,190,804 (2000 - £262,957). A subsidiary company had a contingent liability in respect of insurance commission received on an indemnity basis amounting to £150,000 (2000 - £200,000).

**23. COMMITMENTS FOR CAPITAL EXPENDITURE**

Amounts contracted for but not provided in the Financial Statements amounted to £98,177 (2000 - £14,788).

**24. OPERATING LEASE COMMITMENTS**

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

	2001	2000
Agreements Expiring Next Year	360,755	200,079
Agreements Expiring in One to Five Years	384,467	176,490
	<hr/>	<hr/>
	£ 745,222	£ 376,569
	<hr/>	<hr/>

**25. SECURED LIABILITIES**

Bank overdrafts of £1,291,879 are secured by legal charges on land and buildings of the Group. Bank overdrafts of £1,291,879 are further secured by charges on the book debts of Thyssen (Great Britain) Limited, Thyssen Construction Limited, Thyssen Engineering Limited and Thyssen Environmental Limited.

**26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS**

	2001	2000
Total Recognised Gains and Losses for the Year	167,962	978,660
	<hr/>	<hr/>
Movement in Shareholders Funds	167,962	978,660
Opening Shareholders Funds	6,993,514	6,014,854
	<hr/>	<hr/>
Closing Shareholders Funds	£ 7,161,476	£ 6,993,514
	<hr/>	<hr/>

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

**NOTES TO THE CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31ST DECEMBER 2001**

**27. RECONCILIATION OF OPERATING PROFIT TO NET  
CASH INFLOW FROM OPERATING ACTIVITIES**

	2001	2000
Operating Profit	530,683	975,312
Depreciation Charges	613,312	470,068
Profit on Disposals of Tangible Fixed Assets	(31,034)	(51,270)
Transfers from Provisions	(404,452)	(211,828)
Parent Company	415,575	(130,949)
Movement in Stocks	(32,576)	289,402
Movement in Debtors	(5,596,542)	(494,280)
Movement in Creditors	3,171,215	1,306,808
	<hr/>	<hr/>
Net Cash Inflow from Operating Activities	£(1,333,819)	£ 2,153,263
	<hr/>	<hr/>

**28. RECONCILIATION OF NET CASH FLOW  
TO MOVEMENT IN NET DEBT**

	2001	2000
(Decrease) Increase in Cash	(2,036,077)	1,210,086
Cash Inflow from new Finance Leases	(689,725)	-
Cash Repayments on Capital Element of Finance Leases	272,342	-
	<hr/>	<hr/>
Change in Net Debt	(2,453,460)	1,210,086
Net Debt at Beginning of Period	624,527	(585,559)
	<hr/>	<hr/>
Net Debt at End of Period	£(1,828,933)	£ 624,527
	<hr/>	<hr/>

**29. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.2001	Cash Flows	New Leases	At 31.12.2001
Cash at Bank and In Hand	761,292	(754,296)		6,996
Bank Overdrafts	(10,098)	(1,281,781)		(1,291,879)
	<hr/>	<hr/>		<hr/>
	751,194	(2,036,077)		(1,284,883)
Finance Leases	(126,667)	272,342	(689,725)	(544,050)
	<hr/>	<hr/>	<hr/>	<hr/>
£	624,527	£(1,763,735)	£ (689,725)	£(1,828,933)
	<hr/>	<hr/>	<hr/>	<hr/>

# THYSSEN (GREAT BRITAIN) LIMITED

## BALANCE SHEET AT 31ST DECEMBER 2001

		2001	2000
	Notes	£	£
FIXED ASSETS			
Tangible Assets	1	1,671,905	1,841,121
Investments	2	1,028,660	491,936
		<u>2,700,565</u>	<u>2,333,057</u>
CURRENT ASSETS			
Stocks	3	570,838	574,650
Debtors	4	6,177,055	4,578,277
Cash at Bank and in Hand		9,476	79,281
		<u>6,757,369</u>	<u>5,232,208</u>
CREDITORS: Amounts Falling Due Within One Year	5	3,940,476	2,094,684
NET CURRENT ASSETS		<u>2,816,893</u>	<u>3,137,524</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,517,458</u>	<u>5,470,581</u>
CREDITORS: Amounts Falling Due After One Year	6	47,791	62,964
NET ASSETS		<u>£ 5,469,667</u>	<u>£ 5,407,617</u>
CAPITAL AND RESERVES			
Called Up Share Capital	7	3,500,000	3,500,000
Profit and Loss Account	8	1,969,667	1,907,617
		<u>£ 5,469,667</u>	<u>£ 5,407,617</u>

Approved by the Board on 19th April 2002  
K.W. Jessup, J.D. Jones - Directors



The notes on pages 21 to 25 form a part of these accounts.

## THYSSEN (GREAT BRITAIN) LIMITED

NOTES TO THE BALANCE SHEET  
FOR THE YEAR ENDED 31ST DECEMBER 2001

## 1. TANGIBLE FIXED ASSETS

	Land and Buildings	Plant and Machinery	Other Assets	Total
Cost				
Opening Balance	2,336,641	5,226,866	916,669	8,480,176
Additions	30,737	49,580	75,875	156,192
Disposals	-	(1,194,235)	(90,696)	(1,284,931)
	<u>2,367,378</u>	<u>4,082,211</u>	<u>901,848</u>	<u>7,351,437</u>
Depreciation				
Opening Balance	937,246	4,918,470	783,339	6,639,055
Charge for the Year	80,388	119,030	57,176	256,594
Disposals	-	(1,147,258)	(68,859)	(1,216,117)
	<u>1,017,634</u>	<u>3,890,242</u>	<u>771,656</u>	<u>5,679,532</u>
Net Book Values				
2001	<u>£1,349,744</u>	<u>£ 191,969</u>	<u>£ 130,192</u>	<u>£1,671,905</u>
2000	<u>£1,399,395</u>	<u>£ 308,396</u>	<u>£ 133,330</u>	<u>£1,841,121</u>

Land and buildings consist entirely of freehold property interests.

Other Assets consist of the following:

	Net Book Value	
	2001	2000
Office Equipment	130,330	111,635
Motor Vehicles	-	21,697
	<u>£ 130,330</u>	<u>£ 133,332</u>

**THYSSEN (GREAT BRITAIN) LIMITED**
**NOTES TO THE BALANCE SHEET  
FOR THE YEAR ENDED 31ST DECEMBER 2001  
(Continued)**
**2. FIXED ASSET INVESTMENTS**

(a) Shares in Group Undertakings	2001	2000
Brought Forward at Cost	736,331	736,331
Additions at Cost	556,000	-
	<hr/>	<hr/>
	1,292,331	736,331
 Amounts Written Off:		
Brought Forward	244,396	195,000
Charge for the Year	293,109	49,396
	<hr/>	<hr/>
	537,505	244,396
	<hr/>	<hr/>
Total Investment in group Undertakings	£ 754,826	£ 491,935
	<hr/>	<hr/>
 (b) Investment in joint venture		
	2001	2000
Share of assets:		
Fixed assets	649,690	-
Current assets	437,822	-
	<hr/>	<hr/>
Total assets	1,087,512	-
	<hr/>	<hr/>
Share of liabilities:		
Liabilities due within one year	423,416	-
Liabilities due after more than One year	390,262	-
	<hr/>	<hr/>
Total liabilities	813,678	-
	<hr/>	<hr/>
Share of net assets at 31 December	£273,834	£ -
	<hr/>	<hr/>
Total fixed asset investments	£1,028,660	£491,935
	<hr/>	<hr/>

At 31 December 2001 there were no balances due between the company and the joint venture.

# **THYSSEN (GREAT BRITAIN) LIMITED**

## **NOTES TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST DECEMBER 2001 (Continued)**

### **(a) Subsidiary Undertakings**

	Shares Held	% of Nominal Value	Nature of Business
Thyssen Technical Services Limited	Ordinary	100.00	Engineering Contractors
Thyssen Construction Limited	Ordinary	100.00	Construction
Thyssen Engineering Limited	Ordinary	100.00	Engineering
Thyssen Environmental Limited	Ordinary	100.00	Environmental Engineering
Thyssen Insurance Group Limited	Ordinary	100.00	Insurance Consultants
Thyssen Mining Limited	Ordinary	100.00	Mining Contractors
Thyssen (Ireland) Limited	Ordinary	100.00	Construction

All the above companies are incorporated in Great Britain with the exception of Thyssen (Ireland) Limited which is incorporated in the Republic of Ireland.

### **(b) Joint venture**

The company holds a 26% interest in Thyssen Mining International, a joint venture project in Ireland. There are no specific rights or constraints attached to the company's share which differ from the other investors' shares. Unaudited accounts for the period from commencement to 31 December 2001 have been produced from which the above amounts have been taken in respect of the company's share.

The business of the joint venture is that of Mine Development Work.

At 31 December 2001 there were no balances due between the company and the joint venture.

### **3. STOCKS**

	2001	2000
Raw Materials and Consumables	£ 570,838	£ 574,650

**THYSSEN (GREAT BRITAIN) LIMITED**
**NOTES TO THE BALANCE SHEET  
FOR THE YEAR ENDED 31ST DECEMBER 2001  
(Continued)**
**4. DEBTORS**

	2001	2000
Trade Debtors	1,175,835	1,832,883
Amounts Recoverable on Contracts	851,316	97,729
Amounts Owed by Parent	-	18,419
Amounts Owed by Group		
Undertakings	3,320,454	2,099,837
Amounts Owed by Affiliated		
Companies/Joint Ventures	-	169,490
Other Debtors	136,572	274,858
Prepayments and Accrued		
Income	692,878	85,061
	<hr/>	<hr/>
	£ 6,177,055	£ 4,578,277
	<hr/>	<hr/>

All debtors and Amounts Owed by Group Undertakings fall due within one year.

**5. CREDITORS: Amounts Falling Due Within One Year**

	2001	2000
Bank Loans and Overdrafts (Note 10)	1,455,791	-
Trade Creditors	251,537	305,037
Amounts Owed to Group		
Undertakings	617,156	-
Taxation and Social Security	1,378,371	1,209,364
Other Creditors	93,695	169,033
Accruals and Deferred Income	143,927	411,249
	<hr/>	<hr/>
	£ 3,940,477	£ 2,094,683
	<hr/>	<hr/>

**6. CREDITORS: Amounts Falling Due After One Year**

	2001	2000
Government Grant Deferred Credit	£ 47,791	£ 62,964
	<hr/>	<hr/>

# **THYSSEN (GREAT BRITAIN) LIMITED**

## **NOTES TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST DECEMBER 2001 (Continued)**

### **7. SHARE CAPITAL**

	2001	2000
Authorised, Issued and Fully Paid:		
3,500,000 Ordinary Shares of £1 each	£ 3,500,000	£ 3,500,000
	<hr/>	<hr/>

### **8. PROFIT AND LOSS ACCOUNT**

No profit and loss account is presented for the parent company as permitted by Section 230, Companies Act 1985. The retained profit for the financial year of the parent company amounted to £62,050 (2000 - £833,239).

### **9. CHARGE ON ASSETS**

Land and buildings with a book value of £1,265,937 and the Company's book debts have been charged to secure the overdraft facilities of group companies.

### **10. CONTINGENT LIABILITIES**

There are contingent liabilities in respect of indemnities given against guarantees and bonds given by bankers on behalf of the group amounting to £2,190,804 (2000 - £262,957).