



REUNION GROUP LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 DECEMBER 1996

Company No. ~~2000010~~

REUNION GROUP LIMITED

FINANCIAL STATEMENTS

For the period ended 31 DECEMBER 1996

Company registration number:

3179924

Registered office:

Marcol House
293 Regent Street
LONDON
W1R 7PD

Directors:

A C Woollett
D A R McAlister
P F Wynter Bee

Secretary:

P F Wynter Bee

Solicitors:

Stringer Saul
Marcol House
293 Regent Street
LONDON
W1R 7PD

Auditors:

Grant Thornton
Registered auditors
Chartered accountants
Grant Thornton House
Melton Street
Euston Square
LONDON
NW1 2EP

REUNION GROUP LIMITED

FINANCIAL STATEMENTS

For the period ended 31 DECEMBER 1996

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REUNION GROUP LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the period ended 31 December 1996.

Business review

The company acts as the holding company of its wholly owned subsidiary Reunion Holdings (Netherlands) BV.

The company did not trade during the period to 31 December 1996.

Consolidated accounts have not been prepared as the company is itself the wholly owned subsidiary of Reunion Mining PLC.

Dividends

The directors do not propose the payment of a dividend for the year.

Directors

The directors who served during the year were:

Waterlow Nominees Limited (resigned 2 May 1996)

A C Woollett (appointed 2 May 1996)

D A R McAlister (appointed 2 May 1996)

P F Wynter Bee (appointed 2 May 1996)

No director has any interest in the share capital of the company. Their interests in the share capital of the holding company, Reunion Mining PLC, are shown in that company's accounts.

REUNION GROUP LIMITED

REPORT OF THE DIRECTORS

Directors' responsibilities for the financial statements

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 of the profit or loss of the company 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

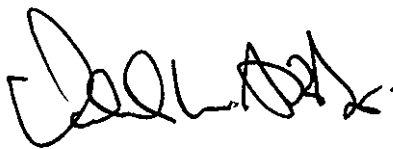
Incorporation and change of name

The company was incorporated on 29 March 1996 under the name of Speed 5496 Limited and changed its name on 20 May 1996.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

Approved and signed on behalf of the Board



D A R McAlister
Director

23.7.1997

REPORT OF THE AUDITORS TO THE MEMBERS OF

REUNION GROUP LIMITED

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

Respective responsibilities of directors and auditors

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

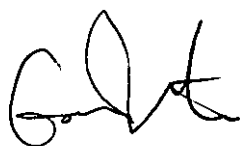
Basis of opinion

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 as at 31 December 1996 and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

LONDON
23.7.1997

REUNION GROUP LIMITED

PRINCIPAL ACCOUNTING POLICIES

The following policies, which have been consistently applied, are considered material in relation to the company's financial statements.

Basis of accounting

The financial statements are drawn up under the historical cost convention.

Foreign currencies

Assets and liabilities in foreign currencies are expressed in sterling at the rate applicable on the accounting reference date. Translation gains and losses on reserves and intra-group balances are dealt with as a reserve movement. No adjustment is made for exchange movements subsequent to the accounting reference date. In so far as foreign currency net investments are financed by way of a loan denominated in that currency, the investment is retranslated and the difference taken to reserves in so far as it is offset against the difference arising on the translation of the related loan balance.

REUNION GROUP LIMITED

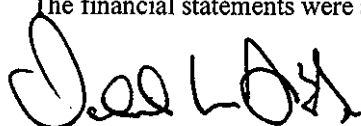
BALANCE SHEET AT 31 DECEMBER 1996

	Note	1996 £
Fixed assets		
Investments	1	<u>13,548</u>
Current assets		
Debtors - other		2
Creditors: amounts falling due within one year	2	<u>(13,548)</u>
Net current liabilities		<u>(13,546)</u>
Total assets less current liabilities		<u><u>2</u></u>
Capital and reserves		
Called up share capital	3	2
Profit and loss account		<u>-</u>
Shareholders' funds		<u><u>2</u></u>

The company did not trade during the period.

The financial statements were approved by the Board of Directors on

23.7 1997



D A R McAlister - Director

The accompanying accounting policies and notes form an integral part of these financial statements.

REUNION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 DECEMBER 1996

1 INVESTMENTS

	1996 £
Cost of ordinary shares in unlisted, wholly owned subsidiary company:	
At 29 March 1996	13,548
Exchange translation adjustment	<u>-</u>
At 31 December 1996	<u>13,548</u>

The subsidiary company is Reunion Holdings (Netherlands) BV, a company incorporated in the Netherlands.

2 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996 £
Owed to group undertakings	<u>13,548</u>

3 CALLED UP SHARE CAPITAL

	Number	£
Ordinary shares of £1 each		
Authorised:		
At 31 December 1996	<u>1,000</u>	<u>1,000</u>
Issued, allotted and fully paid:		
At 31 December 1996	<u>2</u>	<u>2</u>

4 PARENT UNDERTAKING

The company is a wholly owned subsidiary of Reunion Mining PLC, a company registered in England and Wales. Copies of the annual report of Reunion Mining PLC may be obtained from Reunion Mining PLC, Marcol House, 293 Regent Street, London W1R 7PD.