

Auvernier Limited

**Directors' report and financial
statements**

Registered number 654654

30 June 2002



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Directors' report

The Directors have pleasure in presenting their Report together with the Financial Statements for the year ended 30 June 2002.

Results and Dividends

The profit for the year before taxation amounted to £1,676,307 (2001 - £Nil). The taxation charge was £Nil (2001 - £Nil), leaving a profit after taxation of £1,676,307 (2001 - £Nil).

The Directors recommended the payment of an interim dividend of £1,676,307 (2001 - £Nil).

Principal Activities

The Company acts as an intermediate holding company of FAH Marketing BV, a company incorporated in the Netherlands.

Directors

The Directors of the Company during the year were:

M Taylor	(resigned 30 April 2002)
K R Tucker	(resigned 14 September 2001)
C L Smit	(appointed 14 September 2001 and resigned 18 November 2002)
W B Smith	(appointed 20 May 2002)

Miss E A Hobley was appointed a Director of the Company on 18 November 2002.

Directors' Interests in Shares

None of the Directors who held office throughout the financial year had any disclosable interest in the shares of the Company or the immediate holding company Samancor Limited. The Directors' interests in the shares of the ultimate parent company BHP Billiton Plc were as follows:

	30 June 2001 (* or date of appointment if earlier)		30 June 2002		22 July 2002 (Note 1)	
	Shares	Billiton Share Scheme	Shares	Billiton Share Schemes	Shares	Billiton Share Schemes
C L Smit	4,500	182,515	20,500	159,934	21,817	170,209

Note 1 - Balance held following bonus issue of shares

The operation of the above Share Schemes can be found in the report and accounts of BHP Billiton Plc, the ultimate parent company. Following the Extraordinary General Meeting of 15 May 2001 where shareholders approved the merger of Billiton Plc and BHP Limited including that all outstanding Scheme Awards granted could vest in full, all Awards vested on 20 August 2001. Additional Scheme Awards were granted in October 2001.

On 22nd July 2002, shareholders were given on new share for every 15.5648 BHP Billiton Plc shares held as a result of the demerger of BHP Steel. Consequently, awards were given to CIP and RSS participants on the same basis.

At the date of Mr Smith's appointment, he held 577 shares in BHP Billiton Limited and 131,045 Options under Employee Share Plans with exercise prices ranging from A\$8.29 to A\$17.08. At 30 June 2002, he held 577 shares and 106,263 Options with no change in the range of exercise price. These interests are not required to be disclosed in this Company's Report and Accounts but in the interest of good corporate governance the Company has taken the lead from BHP Billiton.


Auditors

Elective Resolutions to dispense with holding Annual General Meetings, the laying of Financial Statements before the Company in general meeting and the appointment of auditors annually were passed on 5 May 1998. KPMG Audit Plc will therefore be deemed to have been reappointed at the end of 28 days beginning with the day on which copies of this report and Financial Statements are sent to members unless a resolution is passed under section 393 of the Companies Act 1985 to the effect that their appointment be brought to an end.

Holding and Ultimate Parent Company

The immediate holding company is Samancor Limited. The ultimate parent company is BHP Billiton Plc. The registered office of the Company and BHP Billiton Plc is Neathouse Place, London SW1V 1BH.

By Order of the Board



W B Smith
Director

Neathouse Place
London
SW1V 1BH

24 April 2003

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 profit or loss of the Company for that year. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- 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 maintaining 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.

KPMG Audit Plc

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent Auditors' report to the shareholders of Auvernier Limited

We have audited the Financial Statements of Auvernier Limited on pages 5 to 9

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for preparing the Directors' report and as described on page 3 of the Financial Statements in accordance with applicable United Kingdom law and Accounting Standards.

Our responsibilities, as independent auditors are established in the United Kingdom by statute, the Auditing practise Board and by our Profession's ethical guidance.

We report to you our opinion as to whether the Financial Statements give a true and fair view and 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.

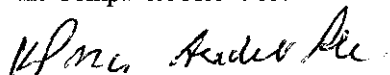
Basis of Opinion

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 whether the Accounting Policies are appropriate to the Company's circumstances, consequently applied and adequately disclosed.

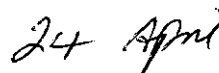
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity 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 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor
London



2003

Profit and loss account
for the year ended 30 June 2002

	Note	2002 £	2001 £
Income from shares in Group undertaking		1,676,307	-
Accountancy fees		(881)	(1,704)
Bank charges		(98)	(94)
Other Income		979	1,798
		<hr/>	<hr/>
Profit on ordinary activities before taxation	<i>1</i>	1,676,307	-
Taxation on profit on ordinary activities	<i>3</i>	-	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation		1,676,307	-
Dividend payable	<i>2</i>	(1,676,307)	-
		<hr/>	<hr/>
Retained profit brought forward		-	-
		-	-
		<hr/>	<hr/>
Retained profit carried forward		-	-
		<hr/>	<hr/>

There were no recognised gains or losses other than the profit on ordinary activities after taxation stated above.

The results of the Company are derived from continuing operations.

Balance sheet
at 30 June 2002

	Note	2002 £	2001 £
Fixed Assets			
Investment	6	15,773	15,773
Current Assets			
Cash at bank		1,677,664	2,336
Amounts due from group undertakings		2,870	1,891
		<hr/>	<hr/>
		1,680,534	4,227
Current Liabilities			
Dividends payable		(1,676,307)	-
		<hr/>	<hr/>
Net Current Assets		4,227	4,227
		<hr/>	<hr/>
Net Assets		20,000	20,000
		<hr/>	<hr/>
Capital and Reserves			
Called up share capital	7	10,000	10,000
Share Premium Account	8	10,000	10,000
Profit and Loss Account	8	-	-
		<hr/>	<hr/>
Equity Shareholders funds		20,000	20,000
		<hr/>	<hr/>

Approved on behalf on the Board on 24 April 2003 and signed on their behalf by:-



W B Smith
Director

Notes

(forming part of the financial statements)

Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost accounting rules and on going concern basis.

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement.

Fixed Assets

Investments are stated at cost less provision for permanent diminution in value.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Related party transactions

BHP Billiton Plc is the ultimate parent of Auvernier Limited and therefore, related party transactions with the members of the group controlled by BHP Billiton Plc are not disclosed in accordance with the exemption allowed under FRS8.

Taxation

The company adopted FRS 19 "Deferred Tax" in the year ended 30 June 2001. This requires the company to fully provide for deferred corporation tax on all timing differences which have arisen but have not reversed at the balance sheet date and which could give rise to an obligation to pay more or less tax in the future.

Notes (Continued)

1. Profit and Loss Account

The costs of administration, including the audit fee, were borne by another group company for both periods.

	2002 £	2001 £
2. Dividends		
Ordinary – Interim proposed	1,676,307	-
– Final proposed	-	-
	<u>1,676,307</u>	<u>-</u>
3. Taxation		
UK Corporation tax		
Current tax on income for the period	-	-
Double tax relief	-	-
	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

The tax assessed for the period is nil compared to the standard rate of corporation tax in the UK (30%) because any taxation applicable to other income of the Company is off-set by tax credits from other group companies. No benefit has been recognised for unrelieved tax losses which will only be recognised when it is more likely than not that the losses will give rise to a benefit whether through group relief or otherwise.

There are no timing differences that result in a provision for deferred tax for either the year ended 30 June 2002 or the year ended 30 June 2001.

4. Directors Remuneration

None of the Directors received any remuneration for their services during the year (2001 - £Nil).

5. Employees

Apart from the Directors the Company does not employ any other staff.

	2002 £	2001 £
6. Fixed Asset Investment		
Subsidiary undertaking	15,773	15,773
	<u>Issued Share Capital</u>	<u>Ordinary Share Capital</u>
FAH Marketing BV	<u>\$25,500</u>	<u>100%</u>

The principal activity of FAH Marketing BV is the provision of logistics and marketing services for non-ferrous metals and ores. The company is registered and incorporated in the Hague. The results of this subsidiary are included with the Group results of the ultimate parent company.

Notes (Continued)

7. Called-up Share Capital	2002 £	2001 £	2002 £	2001 £
			Allotted, called-up and fully paid	
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

8. Movement on reserves

	Share Premium £	Profit and Loss account £	Total £
Balance at 1 July 2001	10,000	-	10,000
Movement for the year	-	-	-
Balance at 30 June 2002	10,000	-	10,000

9. Holding and ultimate parent Company

The immediate holding company is Samancor Limited (incorporated in the Republic of South Africa). Copies of the Group Financial Statements can be obtained from 6 Holland Street, Johannesburg, 2001. The ultimate parent company is BHP Billiton Plc, whose registered office is Neathouse Place, London SW1V 1BH. Copies of the Group Financial Statements of the ultimate parent company can be obtained from its registered office.

10. Reconciliation of Movements in Shareholders' Funds	2002 £	2001 £
Profit for the financial year	1,676,307	-
Dividends	(1,676,307)	-
Net addition to shareholder's funds	-	-
Opening Shareholder's funds	20,000	20,000
Closing shareholders' funds	20,000	20,000

11. Capital Commitments

There were no capital commitments at the year end (2001 - £Nil)