

ANGLO INDUSTRIAL MINERALS HOLDINGS LTD

Report and Financial Statements

31 December 2000



**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**

REPORT AND FINANCIAL STATEMENTS 2000

CONTENTS

Page

General information	1
Directors' report	2
Statement of directors' responsibilities	4
Auditors' report	5
Profit and loss account	6
Balance sheet	7
Notes to the accounts	8

REPORT AND FINANCIAL STATEMENTS 2000

GENERAL INFORMATION

DIRECTORS

R S Robertson
F K J Jackson
D C Cather

SECRETARY

G A Wilkinson

REGISTERED OFFICE

20 Carlton House Terrace
London SW1Y 5AN

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Company is a holding company, holding investments in the United Kingdom as part of the Anglo American plc group of companies. Future performance depends on the trading results of its principal subsidiaries.

RESULTS AND DIVIDENDS

The retained loss for the year was £99,563,846 (1999 - £2,716,673 profit). The directors do not recommend the payment of a dividend (1999 - nil).

DIRECTORS AND THEIR INTERESTS

The following served as directors throughout the year and to the present time.

R S Robertson
F K J Jackson
D C Cather

None of the directors had any disclosable interests in the shares of the Company or of any other UK Group Company during the year, apart from options and share interests in Anglo American plc ("AA plc") shown below.

Directors' options

	Total holding at 1 January 2000	Options Granted 2000 (1)	Options lapsed 2000 (2)	Total holding at 31 December 2000
D C Cather	2,644	16,480	2,644	16,480
F K J Jackson	15,644	21,480	2,644	34,480
R S Robertson	98,644	35,480	2,644	131,480

- (1) Options granted under the Anglo American Share Option Scheme and Share Savings (SAYE) Plan.
- (2) Lapsed options previously granted under the SAYE Scheme.
- (3) Directors' options have been adjusted to take into account the Bonus Issue by AA plc which became operative on 8 May 2001.

Directors' share interests

The interests of directors who held office at 31 December 2000 in Ordinary Shares ("Shares") of AA plc were as follows:

	As at 31 December 2000		As at 1 January 2000	
	Beneficial	Conditional (1)	Beneficial	Conditional (1)
D C Cather	1,604	-	1,604	-
F K J Jackson	9,436	1,480	9,436	1,480
R S Robertson	35,420	2,112	35,420	2,112

- (1) Matching shares to be allocated after the deferral period of three years, subject to certain conditions.
- (2) Directors' share interests have been adjusted to take into account the Bonus Issue by AA plc which became operative on 8 May 2001.

DIRECTORS' REPORT

AUDITORS

In accordance with Section 386 of the Companies Act 1985, Deloitte & Touche are deemed to remain in office as auditors under the terms of an Elective Resolution dated 25 October 1999.

Approved by the Board of Directors
and signed on behalf of the Board



G A Wilkinson

Secretary

1 October 2001

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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed; 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 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.

AUDITORS' REPORT TO THE MEMBERS OF

ANGLO INDUSTRIAL MINERALS HOLDINGS LTD

We have audited the financial statements on pages 6 to 11 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 the Company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

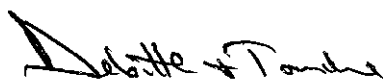
Basis of opinion

We conducted our audit in accordance with 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 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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and
Registered Auditors

16 October 2001

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2000

	Note	2000 £	1999 £
Administrative expenses		(2,313,332)	(1,538,132)
Operating loss		(2,313,332)	(1,538,132)
Income from shares in group undertakings		31,326,529	24,000,000
Amounts written off investments	7	(106,000,000)	-
Interest receivable and similar income	3	383,114	420,357
Interest payable and similar charges	5	(33,627,460)	(29,374,271)
Loss on ordinary activities before taxation	2	(110,231,149)	(6,492,046)
Tax credit on loss on ordinary activities	6	10,667,303	9,208,719
Retained (loss)/profit for the financial year		(99,563,846)	2,716,673
Profit and loss account brought forward		(26,825,835)	(29,542,508)
Profit and loss account carried forward		<u>(126,389,681)</u>	<u>(26,825,835)</u>

There are no recognised gains or losses for the current year and preceding financial period other than as stated in the profit and loss account. Accordingly, neither a statement of total recognised gains and losses nor a reconciliation of movements in shareholders' funds has been prepared.

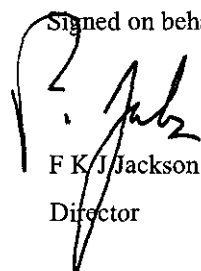
All amounts derive from continuing operations.

BALANCE SHEET
31 December 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Investments	7	231,048,766	337,048,766
CURRENT ASSETS			
Debtors due within one year	8	39,538,646	15,233,993
Debtors due after more than one year	8	191,920,000	210,621,607
Cash at bank and in hand		1,104,882	444,313
		232,563,528	226,299,913
CREDITORS: amounts falling due within one year	9	(20,862,227)	(47,424,512)
NET CURRENT ASSETS		211,701,301	178,875,401
TOTAL ASSETS LESS CURRENT LIABILITIES		442,750,067	515,924,167
CREDITORS: amounts falling due after more than one year	10	(526,289,746)	(499,900,000)
		(83,539,679)	16,024,167
CAPITAL AND RESERVES			
Called up equity share capital	11	8,570,002	8,570,002
Share premium account		34,280,000	34,280,000
Profit and loss account		(126,389,681)	(26,825,835)
EQUITY SHAREHOLDERS' (DEFICIT)/FUNDS		(83,539,679)	16,024,167

These financial statements were approved by the Board of Directors on ~~1 October~~ 2001.

Signed on behalf of the Board of Directors



F K J Jackson
Director

NOTES TO THE ACCOUNTS**Year ended 31 December 2000****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Investments

Fixed assets investments are stated at cost less provision for any impairment.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

Going concern

Given the current equity shareholders' deficit, the Company has sought and received a letter confirming continuing support from its current ultimate parent company, Anglo American plc.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £	1999 £
Loss on ordinary activities before taxation is after charging:		
Audit fees	-	1,250
	<u> </u>	<u> </u>
Audit services are paid for by Anglo Industrial Minerals Ltd, a subsidiary company.		

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £	1999 £
Interest receivable from group companies	302,712	395,954
Bank interest receivable	80,402	24,403
	<u>383,114</u>	<u>420,357</u>

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

There were no employees during the year (1999 - none). The directors received no emoluments in respect of their services to the company during the year (1999 - nil).

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
Interest payable on loan from immediate parent company	<u>33,627,460</u>	<u>29,374,271</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2000**6. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES**

	2000 £	1999 £
Group relief	10,667,303	9,208,719

The tax credit is low due to the write down of investments being disallowed for corporation tax purposes.

7. INVESTMENTS HELD AS FIXED ASSETS

	Shares in subsidiary undertakings £
Cost	
At 1 January and 31 December	337,048,766
Provisions:	
At 1 January	-
Provided in the year	106,000,000
At 31 December	106,000,000
Net book value	
At 31 December 2000	231,048,766
At 31 December 1999	337,048,766

The Company's wholly owned subsidiaries are all incorporated in Great Britain and are listed below.

	Nature of Business
Buxton Lime Industries Limited	Industrial Minerals Company
Tarmac Western Limited	Industrial Minerals Company
Tilcon Holdings Limited	Holding Company for Industrial Minerals Companies
Anglo Industrial Minerals Ltd	Services Company

Group accounts have not been prepared as the Company is a wholly owned subsidiary of another company incorporated within the European Union. Consequently the financial statements present information about the Company as an individual undertaking rather than as a group.

NOTES TO THE ACCOUNTS
Year ended 31 December 2000**8. DEBTORS**

	2000 £	1999 £
Due within one year:		
Amounts owed by subsidiary undertakings	12,435,673	6,025,274
Group relief receivable	19,876,022	9,208,719
Prepayments and accrued income	7,226,951	-
	<u>39,538,646</u>	<u>15,233,993</u>
Due after more than one year:		
Amounts owed by subsidiary undertakings	190,400,000	210,621,607
Prepayments and accrued income	1,520,000	-
	<u>191,920,000</u>	<u>210,621,607</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Amounts owed to subsidiary undertakings	17,998,000	8,539,050
Amounts owed to other group undertakings	2,864,227	38,884,462
Accruals and deferred income	-	1,000
	<u>20,862,227</u>	<u>47,424,512</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Loans from other group undertakings	37,022,560	-
Loan from immediate parent company	489,267,186	499,900,000
	<u>526,289,746</u>	<u>499,900,000</u>

The loan from the immediate parent company, which is repayable within 12 to 24 months, incurred interest at LIBOR plus 1% per annum (1999: LIBOR plus 1%).

11. CALLED UP EQUITY SHARE CAPITAL

	2000 £	1999 £
Authorised:		
50,000,000 ordinary shares of £1 each	<u>50,000,000</u>	<u>50,000,000</u>
Called up, allotted and fully paid:		
8,570,002 ordinary shares of £1 each	<u>8,570,002</u>	<u>8,570,002</u>

NOTES TO THE ACCOUNTS

Year ended 31 December 2000

12. CONTINGENT LIABILITIES

The Company has guaranteed the performance of certain of its wholly owned subsidiaries in respect of contract work performed in the United Kingdom.

13. CONTROL

The immediate parent company is Anglo American Finance (UK) PLC, a company incorporated in Great Britain.

As at 31 December 2000 the ultimate parent company and controlling party was Anglo American plc. Copies of the group accounts are available from the Company Secretary, 20 Carlton House Terrace, London SW1Y 5AN.

14. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 not to disclose related party transactions with Anglo American plc group companies.