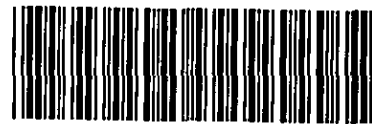


# **ENRC Africa Holdings Limited**

(Registered number: 4232247)

## **Financial Statements for the year ended 31 December 2011**

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# **ENRC Africa Holdings Limited**

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# **ENRC Africa Holdings Limited**

## **Directors' Report for the year ended 31 December 2011**

The Directors present their report and the audited financial statements of ENRC Africa Holdings Limited (the "Company") for the year ended 31 December 2011

### **Business review and principal activities**

The principal activity of the Company is acting as an intermediate holding company of African investments for Eurasian Natural Resources Corporation PLC ("ENRC PLC") and its subsidiaries (the "Group"). At 31 December 2011 and 2010, ENRC Africa 1 Limited, a wholly owned subsidiary of ENRC PLC, held 2,820,070,000 ordinary shares in the Company, representing a 96.88% interest in the Company. The Directors do not anticipate any significant changes to the Company's principal activities in the future.

On 6 October 2010, the Company changed its financial year end from 31 March to 31 December. Accordingly the comparative figures for the Profit and Loss Account and the related notes, are for nine months from 1 April 2010 to 31 December 2010.

The results of the Company show a loss of £32 million for the year ended 31 December 2011 and a profit of £9 million for the period ended 31 December 2010. The Company has shareholders' funds of £559 million as at 31 December 2011 (2010: £591 million).

### **Share capital**

The Company's authorised share capital consists of 3,000,000,000 ordinary shares of 0.10 pence par value each. At 31 December 2011 and 2010, the issued and fully paid share capital of the Company was £3 million.

### **Key performance indicators**

Given the nature of the Company's business, the Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

### **Principal risks, uncertainties and financial risk management**

From the perspective of the Company, the principal risks, uncertainties and financial risk management are integrated with the principal risks of the Group and are not managed separately. For ENRC PLC, these are discussed in the Group's annual report which does not form part of this report.

### **Directors**

The Directors of the company who were in office during the year and up to the date of signing the financial statements were:

James Cochrane  
Beat Ehrensberger  
Zaure Zaurbekova

### **Qualifying third party indemnity provisions**

The Company has entered into deeds of indemnity for the benefit of each Director of the Company in respect of liabilities to which they may become liable in their capacity as Director of the Company. These indemnities are qualifying third party indemnity provisions within the meaning given to that term by Section 234 of the Companies Act 2006. These indemnity provisions remain in force at the time this report is approved.

### **Going Concern**

Notwithstanding the fact that the Company has net current liabilities, the Directors have prepared the accounts on the going concern basis. The Directors have received confirmation from ENRC PLC, the Company's ultimate parent undertaking, of its intention to financially support the Company such that the Company can meet its obligations as they fall due for a period of at least twelve months from the date of the Directors' approval of these accounts.

# **ENRC Africa Holdings Limited**

## **Directors' Report for the year ended 31 December 2011**

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

### **Disclosure of information to auditors**

Each of the Directors in office at the date of approval of this report confirms that

- 1) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- 2) the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 (1) to (4) of the Companies Act 2006.

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board



**Zaure Zaurbekova**  
Director  
ENRC Africa Holdings Limited  
16 St James's Street  
London  
United Kingdom  
SW1A 1ER

Date 25 September 2012

# ENRC Africa Holdings Limited

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ENRC AFRICA HOLDINGS LIMITED

We have audited the financial statements of ENRC Africa Holdings Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information described in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

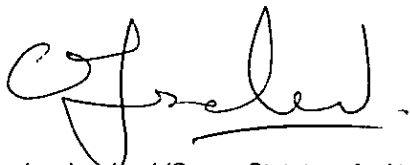
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Charles Josefand (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

Date 27 September 2012

# ENRC Africa Holdings Limited

## Profit and Loss Account

In millions of £	Notes	Year ended 31 December 2011	Period ended 31 December 2010
<b>Continuing operations</b>			
(Impairment)/reversal of impairment	3	(37)	7
Administrative expenses		1	(3)
<b>(Loss)/profit on ordinary activities before interest and taxation</b>		<b>(36)</b>	<b>4</b>
Gain on disposal of investments		-	3
Interest receivable and similar income	5	16	1
Interest payable and similar charges	6	(12)	(5)
Dividend income		-	6
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(32)</b>	<b>9</b>
Tax on (loss)/profit on ordinary activities	7	-	-
<b>(Loss)/profit on ordinary activities after taxation</b>		<b>(32)</b>	<b>9</b>

The Company had no recognised gains or losses during the year/period other than those reflected in the Profit and Loss Account above and therefore, no separate statement of total recognised gains and losses has been presented

There is no difference between the result as reported and its historical cost equivalent

# ENRC Africa Holdings Limited

## Balance sheet as at 31 December 2011

In millions of £	Notes	2011	At 31 December 2010
<b>Fixed assets</b>			
Tangible asset		2	2
Investments	8	524	551
Amounts owed by group companies	9	516	235
<b>Total fixed assets</b>		<b>1,042</b>	<b>788</b>
<b>Current assets</b>			
Debtors		-	1
Cash at bank and in hand		10	3
<b>Total current assets</b>		<b>10</b>	<b>4</b>
<b>Creditors - amounts falling due within one year</b>			
Amounts owed to group companies	10	(479)	(175)
Other creditors	11	-	(12)
<b>Total creditors - amounts falling due within one year</b>		<b>(479)</b>	<b>(187)</b>
<b>Net current liabilities</b>		<b>(469)</b>	<b>(183)</b>
<b>Total assets less current liabilities</b>		<b>573</b>	<b>605</b>
<b>Creditors - amounts falling due after more than one year</b>			
Amounts owed to group companies	10	(14)	(14)
<b>Net assets</b>		<b>559</b>	<b>591</b>
<b>Capital and reserves</b>			
Called up share capital	12	3	3
Share premium account	13	905	905
Profit and loss account	13	(349)	(317)
<b>Total shareholders' funds</b>	<b>13</b>	<b>559</b>	<b>591</b>

The financial statements on pages 5 to 12 were approved by the Board of Directors on 25 September 2012 and were signed on its behalf by

Zaure Zaurbekova  
Director



ENRC Africa Holdings Limited Registered number 04232247

# ENRC Africa Holdings Limited

## Notes to the Financial Statements for the year ended 31 December 2011

### 1 Principal Accounting Policies

#### a) Basis of accounting

These financial statements are for the period from 1 January 2011 to 31 December 2011. The prior period is for the period 1 April 2010 to 31 December 2010. On 6 October 2010, the Company changed its financial year end from the 31 March to 31 December.

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The Directors have reviewed the Company's existing accounting policies and consider that they are consistent with the previous period. The principal accounting policies are set out below.

The Company is a 96.88% owned subsidiary of ENRC PLC and is included in the consolidated financial statements of ENRC PLC, which are publicly available. Consequently, the Company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 not to prepare group accounts. Therefore, these accounts include financial information about the Company as an individual undertaking rather than as a group.

#### b) Tangible asset

Tangible asset includes land which is stated at cost and is not depreciated. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

#### c) Investments

Investments are stated in the balance sheet at cost less provisions for impairment. Investments are tested for impairment when events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. An impairment loss is recognised to the extent that the carrying amount of the investment exceeds the higher of net realisable value and the discounted future earnings from the investment.

#### d) Foreign currencies

Transactions denominated in foreign currencies are translated at the rate of exchange ruling on 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. Exchange differences are charged or credited to the profit and loss account in the period in which they arise.



# ENRC Africa Holdings Limited

## Notes to the Financial Statements for the year ended 31 December 2011

### e) Financial assets and liabilities

Debtors, including amounts owed by group companies, are stated at fair value with appropriate allowances for estimated recoverable amounts. When the time value of money is material, receivables are carried at amortised cost using the effective interest method. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Creditors, including amounts owed to group companies, are initially recorded at fair value, net of transaction costs incurred, and subsequently remeasured at amortised cost using the effective interest method.

Finance income and expenses are accounted for on an accrual basis using the effective interest method.

### f) Taxation including deferred tax

Current tax in respect of the taxable profit or loss for a period is provided using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except where it is otherwise prescribed by the financial reporting standards. Deferred tax liabilities are generally recognised in respect of all timing differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured using the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised on an undiscounted basis.

Current and deferred tax are recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or a loss recognised directly in the statement of total recognised gains and losses, in which case tax attributable to that gain or loss is also recognised directly in the statement of total recognised gains and losses.

### g) Dividends

Dividends payable are recognised as a liability and deducted from equity at the balance sheet date only if they have been approved before or on the balance sheet date. Dividends are disclosed when they have been proposed before the balance sheet date or when declared after the balance sheet date but before the financial statements are authorised for issue.

## 2 Cash flow statement, related party and financial instruments disclosures

The Company is a 96.88% subsidiary of ENRC Africa 1 Limited, which is a wholly-owned subsidiary of ENRC PLC and is included in the consolidated financial statements of ENRC PLC, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996) and presenting financial instruments disclosure under the terms of FRS 29. Related party transactions are disclosed in accordance with FRS 8.

## 3 (Impairment)/reversal of impairment

In millions of £	Notes	Year ended 31 December 2011	Period ended 31 December 2010
Impairment of investment	8	(27)	-
Net (impairment)/reversal of impairment of amounts owed by group companies	9	(10)	7
<b>(Impairment)/reversal of impairment</b>		<b>(37)</b>	<b>7</b>

# ENRC Africa Holdings Limited

## Notes to the Financial Statements for the year ended 31 December 2011

### 4 Directors' remuneration, employee costs and auditors remuneration

The Directors are employed by ENRC Management (UK) Limited and are remunerated by that company in respect of their services as group employees. They received no emoluments from the Company in respect of qualifying services for ENRC Africa Holdings Limited. There were no employees employed by the Company during 2011 and 2010.

The auditors' remuneration for the year ended 31 December 2011 amounted to £10 thousand (2010: £9 thousand).

### 5 Interest receivable and similar income

In millions of £	Year ended 31 December 2011	Period ended 31 December 2010
Interest income – Camec Finance Limited	10	-
Interest income – Congo Cobalt Corporation Sprl	4	1
Foreign exchange gain	2	-
<b>Interest receivable and similar income</b>	<b>16</b>	<b>1</b>

### 6 Interest payable and similar charges

In millions of £	Year ended 31 December 2011	Period ended 31 December 2010
Interest expense – ENRC Africa 1 Limited	(12)	(4)
Foreign exchange loss	-	(1)
<b>Interest payable and similar charges</b>	<b>(12)</b>	<b>(5)</b>

### 7. Tax on (loss)/profit on ordinary activities

In millions of £	Year ended 31 December 2011	Period ended 31 December 2010
<b>Tax on (loss)/profit on ordinary activities</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of current tax charge</b>		
(Loss)/profit on ordinary activities before taxation	(32)	9
Notional tax on (loss)/profit on ordinary activities before tax at the applicable rate of UK corporation tax of 26.5% (2010: 28%)	9	(3)
Effects of:		
Non-deductible expenditure	(10)	(4)
Non-taxable income	-	1
Utilisation of previously unrecognised losses	1	6
<b>Tax on (loss)/profit on ordinary activities</b>	<b>-</b>	<b>-</b>

As at 31 December 2011, the Company has not recognised deferred tax assets in respect of tax losses of £27 million (2010: £7 million) and other deductible timing differences of £2 million (2010: £2 million) on the basis of insufficient evidence of taxable profits being available against which the deferred tax asset may be utilised. The unrecognised deferred tax asset will be recognised in periods in which losses are utilised against taxable profits.

#### Factors affecting future tax charges

The main UK corporation tax rate was reduced from 28% to 26% with effect from 1 April 2011. A further reduction to 25% with effect from 1 April 2012 was enacted on 19 July 2011. On the basis the Company does not have any recognised deferred tax assets or liabilities at the balance sheet date, no remeasurement of these balances is necessary.

In March 2012, a further reduction in the applicable rate of corporation tax to 24% with effect from 1 April 2012 was substantively enacted, and further reductions in the applicable corporation tax rate to 23% with effect from 1 April 2013 and to 22% with effect from 1 April 2014 were announced. These changes have not been enacted or substantively enacted at the balance sheet date.

# ENRC Africa Holdings Limited

## Notes to the Financial Statements for the year ended 31 December 2011

### 8. Investments

In millions of £	Listed Investments	Shares in group companies	Unlisted Investments	Total investments
<b>Cost</b>				
At 31 December 2010	3	752	8	763
At 31 December 2011	3	752	8	763
<b>Provision for diminution in value</b>				
At 31 December 2010	1	203	8	212
Provision charges	1	26	-	27
At 31 December 2011	2	229	8	239
<b>Net book value</b>				
At 31 December 2010	2	549	-	551
At 31 December 2011	1	523	-	524

#### Market value

In millions of £	Listed Investments
At 31 December 2010	3
At December 2011	2

The directors believe that the carrying value of the investments is supported by their underlying net assets

During 2011 the Company recognised provisions of £27 million in relation to its investments, following impairment reviews. This adjustment brings the carrying values of the investments to their recoverable amounts.

#### Principal investments

At 31 December 2011, the Company held the following principal investments

	Proportion of ordinary shares held	Country of incorporation	Nature of business
Boss Mining sprl	70%	DR Congo	Mining and exploration
Camec Finance Limited	100%	United Kingdom	Financing company
Sabot Management Holdings Limited	100%	British Virgin Islands	Holding company
SA Fluonte (Pty) Limited	51%	South Africa	Mineral exploration
Mali Mineral Resources SA	80%	Mali	Mineral exploration
Société Minière de Kabolela et Kipese Sprl	50%	DR Congo	Mining and exploration
Southern Palace (Pty) Ltd	74%	South Africa	Exploration

# ENRC Africa Holdings Limited

## Notes to the Financial Statements for the year ended 31 December 2011

### 9 Amounts owed by group companies

In millions of £	2011	At 31 December 2010
Camec Finance Limited	383	142
Congo Cobalt Corporation Sprl	44	35
Sabot Transport (Pty) Limited	37	36
South East African Coal Holding	19	-
Lefever Finance Limited	13	7
Gough Aviation (Pty) Limited	12	10
Camec Kenya Limited	8	4
Mali Mineral Resources SA	6	6
Sofdlex Investments (Pvt) Limited	6	-
Exploracoes Mineiras de Mocambique Limitada	6	4
Carvao De Maravia Limitada	5	7
ENRC Congo BV	1	3
Other	16	11
<b>Total amounts owed by group companies</b>	<b>556</b>	<b>265</b>
Provision against amounts owed by group companies	(40)	(30)
<b>Net amount owed by group companies</b>	<b>516</b>	<b>235</b>
The amounts owed by group companies are repayable as follows		
Due in more than one year	516	235
<b>Net amount owed by group companies</b>	<b>516</b>	<b>235</b>

The amount due from Camec Finance Limited bears interest at 4 2% plus 1 month US\$ LIBOR

The amounts due from Congo Cobalt Corporation Sprl ("CCC") and Lefever Finance Limited bear interest at LIBOR plus 2 0%

The amounts due from Sabot Transport (Pty) Limited, South East African Coal Holding, Gough Aviation (Pty) Limited, Camec Kenya Limited, Mali Mineral Resources SA, Sofdlex Investments (Pvt) Limited, Exploracoes Mineiras de Mocambique Limitada, Carvao De Maravia Limitada and ENRC Congo BV are interest free

Repayment of the amounts owed by group companies is not anticipated within a 12 month period from the balance sheet date

### 10. Amounts owed to group companies

In millions of £	2011	At 31 December 2010
ENRC Africa 1 Limited	479	175
Camec Marketing Limited	6	6
International Metal Factors Limited	6	6
Majestic Metals Trading Limited	2	2
<b>Total amounts owed to group companies</b>	<b>493</b>	<b>189</b>
The amounts owed to group companies repayable as follows		
Due within one year	479	175
Due after more than one year	14	14
<b>Total amounts owed to group companies</b>	<b>493</b>	<b>189</b>

The amount owed to ENRC Africa 1 Limited bears interest at US\$ LIBOR plus 4 2% The amounts owed to International Metal Factors Limited, Majestic Metals Trading Limited and Camec Marketing Limited are interest free

# ENRC Africa Holdings Limited

## Notes to the Financial Statements for the year ended 31 December 2011

### 11. Other creditors

In millions of £	2011	At 31 December 2010
Other creditors including taxation and social security	-	1
Accruals and deferred income	-	11
<b>Total other creditors</b>	<b>-</b>	<b>12</b>

### 12. Called up share capital

The Company's authorised share capital consists of 3,000,000,000 ordinary shares of 0.10 pence each nominal value. At 31 December 2011 and 2010, the issued and fully paid share capital of the Company was £3 million.

### 13. Reconciliation of reserves and movement in shareholders' funds

In millions of £	Called up share capital	Share premium account	Profit and loss Account	Total shareholders' funds
At 1 April 2010	3	905	(326)	582
Profit for the financial period	-	-	9	9
At 31 December 2010	3	905	(317)	591
Loss for the financial year	-	-	(32)	(32)
<b>At 31 December 2011</b>	<b>3</b>	<b>905</b>	<b>(349)</b>	<b>559</b>

### 14. Other related party transactions

During the year ended 31 December 2011 and the period ended 31 December 2010 the Company entered into the following transactions in the ordinary course of business with other related parties:

In millions of £	Year ended 31 December 2011	Period ended 31 December 2010
Consultancy fees – ENRC Management UK Limited	1	-
Consultancy fees - International Mineral Resources BV	-	1
Dividends received - Sabot Management Limited	-	6

### 15. Ultimate parent company

The Company's ultimate parent company and controlling party is ENRC PLC which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of ENRC PLC consolidated financial statements are available from its registered office at 16 St James's Street, London SW1A 1ER.

### 16. Post Balance Sheet Event

On 27 April 2012 ENRC Africa 1 Limited acquired the remaining ordinary share capital from Harvest View Limited. ENRC Africa 1 Limited now holds 100% interest in the Company.