

**ANGLO COAL CMC LONDON**

**Report and Financial Statements**

**31 December 2007**

**TUESDAY**



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COMPANIES HOUSE

**REPORT AND FINANCIAL STATEMENTS 2007**

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**REPORT AND FINANCIAL STATEMENTS 2007**

**OFFICERS AND PROFESSIONAL ADVISORS**

**DIRECTORS**

A W Hodges  
N Jordan  
D Smailes  
P G Whitcutt

**SECRETARY**

A W Hodges

**REGISTERED OFFICE**

20 Carlton House Terrace  
London SW1Y 5AN

**BANKERS**

Barclays Bank Plc  
1 Churchill Place  
Canary Wharf  
London E14 5HP

**AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
London

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2007. This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246 (4) of the Companies Act 1985.

### **PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The Company's principal activity is that of a finance company. The directors have the present intention of maintaining the business in its current form.

### **RESULTS AND DIVIDENDS**

The profit after taxation for the year was US\$3,122,907 (2006 US\$530,481). The directors do not recommend payment of a dividend for the year (2006 US\$nil).

### **FINANCIAL RISK MANAGEMENT**

The directors considered the risks attached to the Company's financial instruments which principally comprise of operating creditors and loans from other group companies. The directors have taken a prudent approach in their consideration of the various risks attached to the financial instruments of the Company. The Company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of assets, liabilities and the financial statements.

The director's policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so. The Company had no hedged transactions during the year.

### **DIRECTORS**

Except as noted the following served as directors throughout the year:

A W Hodges -- appointed 4 January 2007

N Jordan

D Smailes

P G Whitcutt

G A Wilkinson -- resigned 19 March 2007

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the directors at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

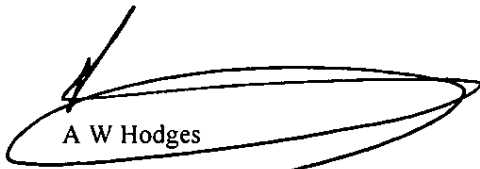
This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

**DIRECTORS' REPORT (continued)**

**AUDITORS**

In accordance with Section 386 of the Companies Act 1985, Deloitte & Touche LLP are deemed to remain in office as auditors under the terms of an elective resolution dated 11 March 2003

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



A W Hodges  
Secretary

2 July 2008

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 judgements and estimates that are reasonable and prudent,
- state whether applicable UK 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 that 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 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.

ANGLO COAL CMC LONDON

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANGLO COAL CMC LONDON**

We have audited the financial statements of Anglo Coal CMC London for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' 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 International Standards on Auditing (UK and Ireland) 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.

Yours faithfully,  
The Auditors,  
Ernst & Young

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANGLO COAL CMC LONDON (continued)**

## **Opinion**

### **In our opinion**

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

London, UK

*2 July* 2008



**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2007**

	Note	2007 US\$	2006 US\$
Interest income		<u>3,122,907</u>	<u>530,481</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	3,122,907	530,481
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>3,122,907</u></u>	<u><u>530,481</u></u>

All amounts derive from continuing operations

There are no recognised gains and losses in the year or preceding year other than the gains shown above and therefore no separate statement of total recognised gains and losses has been presented

**BALANCE SHEET**  
**31 December 2007**

	Note	2007 US\$	2006 US\$
<b>CURRENT ASSETS</b>			
Debtors	5	78,702,015	75,579,062
<b>CREDITORS: amounts falling due within one year</b>	6	(5,820)	(5,774)
<b>NET ASSETS</b>		<u>78,696,195</u>	<u>75,573,288</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	355,702	355,702
Share premium account	8	74,683,975	74,683,975
Profit and loss account	8	3,656,518	533,611
<b>SHAREHOLDERS' FUNDS</b>	8	<u>78,696,195</u>	<u>75,573,288</u>

The financial statements were approved by the Board of Directors on *2 July* 2008  
Signed on behalf of the Board of Directors

N Jordan  
Director



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2007**

**1. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements are prepared in accordance with applicable United Kingdom generally accepted accounting principles (UK GAAP) and in accordance with UK company law. The financial information has been prepared on a historical cost basis.

The particular accounting policies adopted are consistent with those adopted in the prior year and are described below.

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise 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. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Cash flows**

As the Company is a wholly-owned subsidiary, the cash flows of the Company are included in the consolidated cash flow statement of its parent undertaking. Consequently the Company is exempt under the provisions of Financial Reporting Standard 1 (Revised) – “Cash flow statements”, from publishing a separate cash flow statement.

**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies have been translated at the rates of exchange prevailing at the balance sheet date.

**Reporting currency**

As permitted by the UK Company law, the company's results are reported in US dollars, the currency in which most of its business is conducted.

**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The Company had no employees during the year (2006 – nil). The directors received no remuneration during the year (2006 – US\$nil).

**3. OPERATING PROFIT**

The audit fee for 2007 of \$3,000 (2006 \$2,000), payable to the company's auditor for the audit of the company's annual accounts, has been borne by Anglo American Services (UK) Ltd in both the current and preceding years.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2007**

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2007 US\$	2006 US\$
Profit on ordinary activities before tax	3,122,907	530,481
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	(936,872)	(159,144)
Effects of Group relief for nil consideration	936,872	159,144
Current tax credit for year	-	-

**5. DEBTORS**

	2007 US\$	2006 US\$
Amounts due from group companies	78,702,015	75,579,062

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 US\$	2006 US\$
Accruals and deferred income	5,820	5,774

**7. CALLED UP SHARE CAPITAL**

	2007 US\$	2006 US\$
<b>Authorised:</b>		
455,000 ordinary shares of US\$1 each	455,000	455,000
<b>Called up, allotted and fully paid:</b>		
355,702 ordinary shares of US\$1 each	355,702	355,702

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2007**

**8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	Called up share capital US\$	Share premium account US\$	Profit and loss account US\$	Total US\$
At 1 January 2007	355,702	74,683,975	533,611	75,573,288
Retained profit for the period	-	-	3,122,907	3,122,907
At 31 December 2007	<u>355,702</u>	<u>74,683,975</u>	<u>3,656,518</u>	<u>78,696,195</u>

**9. RELATED PARTY TRANSACTIONS**

At 31 December 2007, as identified in note 10, Anglo American plc is the Company's ultimate parent company. 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.

**10. ULTIMATE PARENT COMPANY**

The immediate parent undertaking is Anglo Coal CMC 1 S A, a company registered in Luxembourg. Copies of the financial statements of Anglo Coal CMC 1 S A may be obtained from the Company Secretary, 48 Rue de Bragance, L-1255, Luxembourg.

The ultimate parent company and controlling party is Anglo American plc, a company incorporated in Great Britain and registered in England and Wales. Anglo American plc is the parent undertaking of the largest and smallest group which includes the Company and for which group accounts are prepared. Its financial statements may be obtained from the Company Secretary, 20 Carlton House Terrace, London SW1Y 5AN.