

**ANGLO COAL CMC LONDON**

**Report and Financial Statements**

**31 December 2010**

WEDNESDAY



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COMPANIES HOUSE

**REPORT AND FINANCIAL STATEMENTS 2010**

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**REPORT AND FINANCIAL STATEMENTS 2010**

**OFFICERS AND PROFESSIONAL ADVISORS**

**DIRECTORS**

A W Hodges  
N Jordan  
D Smailes

**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 LLP  
Chartered Accountants  
London

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2010. This directors' report has been prepared in accordance with the provisions relating to small companies.

### **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. There have been no significant changes in the Company's principal activities. The directors are not aware at the date of this report of any likely major changes in the Company's activities in the next year.

### **RESULTS AND DIVIDENDS**

The profit after taxation for 2010 was nil (2009 US\$187,483).

During the financial year, the Directors made no declaration and/or payment of dividends (2009 US\$6,085,370).

### **FINANCIAL RISK MANAGEMENT**

The directors considered the risks attached to the Company's financial instruments which principally comprise 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 directors' 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**

The following served as directors throughout the year:

A W Hodges  
N Jordan  
D Smailes

### **GOING CONCERN**

The directors consider it reasonable to assume that the Company has adequate resources to continue for the foreseeable future given its working capital surplus and the ultimate parent company having supplied a letter of support to cover the 12 months going forward. For this reason, the Directors have continued to adopt the going concern basis in preparing the accounts (further details are provided in Note 1).

**DIRECTORS' REPORT (continued)**

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

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

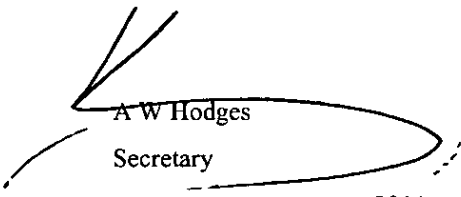
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

**AUDITORS**

In accordance with Section 485-488 of the Companies Act 2006, Deloitte LLP is 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

27 SEP 2011

## 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). 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, 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 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.

# **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 2010 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 8. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor**

As explained more fully in the Directors' Responsibilities Statement, 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.

## **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.

## **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 2010 and of its result 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 year for which the financial statements are prepared is consistent with the financial statements.

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

### 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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the director's report



Makhan Chahal (Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

27 September 2011



**PROFIT AND LOSS ACCOUNT**

**Year ended 31 December 2010**

	Note	2010 US\$	2009 US\$
Interest income		-	187,490
Write off of loan balances		-	(7)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	-	187,483
Tax on profit on ordinary activities	4	-	-
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<hr/> <hr/>	<hr/> <hr/>

All amounts derive from continuing operations

There are no recognised gains or 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 2010**

	Note	2010 US\$	2009 US\$
<b>CURRENT ASSETS</b>			
Amounts due from group undertakings		-	-
Cash at bank		2	2
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>2</b>	<b>2</b>
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	2	2
Share premium account	6	-	-
Profit and loss account	6	-	-
		<hr/>	<hr/>
<b>SHAREHOLDERS' FUNDS</b>		<b>2</b>	<b>2</b>
		<hr/>	<hr/>

The financial statements of the Company with registration number 04682457, were approved by the Board of Directors on

**27 SEP 2011**

2011

Signed on behalf of the Board of Directors

  
N Jordan  
Director

## NOTES TO THE ACCOUNTS

### Year ended 31 December 2010

#### 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.

##### **Going concern**

The Company's ability as a going concern is assessed in conjunction with Anglo American Plc and its subsidiaries (together the "Group") as its viability is dependent upon the ability of the Group companies to settle their intercompany balances with the Company and to provide funds for working capital needs.

The directors of the Company feel that after appropriate consultation with the directors of Anglo American plc, the Company will have sufficient funds, taking account of possible changes in trading performance and amounts owed by other Group companies, to conclude that the Company can adopt the going concern basis for the foreseeable future.

##### **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 (2009 – nil). The directors received no remuneration during the year (2009 – nil).

**NOTES TO THE ACCOUNTS****Year ended 31 December 2010****3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The audit fee for 2010 of US\$2,700 (2009 US\$2,700), payable to the Company's auditors 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

**4 TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2010</b> <b>US\$</b>	<b>2009</b> <b>US\$</b>
Profit on ordinary activities before tax	-	187,483
Tax payable on profit on ordinary activities calculated at standard rate of corporation tax in the UK of 28% (2009 28%)	-	(52,495)
Effects of		
Expenses not deductible for tax purposes	-	(2)
Group relief for nil consideration	-	52,497
Current tax credit for year	-	-

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement The Finance (No2) Act 2010 included legislation to reduce the main stream rate of corporation tax from 28% to 27% from 1 April 2011

Additional changes were announced in the March 2011 Budget Statement to further reduce the main stream rate of corporation tax to 26% from 1 April 2011 and thereafter by 1% per annum to 23% by 1 April 2014 The changes had not been substantively enacted at the balance sheet date and therefore are not included in these financial statements

**5. CALLED UP SHARE CAPITAL**

	<b>2010</b> <b>US\$</b>	<b>2009</b> <b>US\$</b>
<b>Authorised</b>		
455,000 ordinary shares of US\$1 each	455,000	455,000
<b>Called up, allotted and fully paid</b>		
2 (2009 2) ordinary shares of US\$1 each	2	2

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2010**

**6. 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 2009	355,702	74,683,975	5,897,887	80,937,564
Retained profit for the year	-	-	187,483	187,483
Share repurchase	(355,700)	(74,683,975)	-	(75,039,675)
Dividends paid	-	-	(6,085,370)	(6,085,370)
At 31 December 2009	2	-	-	2
At 1 January 2010	2	-	-	2
Retained profit for the year	-	-	-	-
At 31 December 2010	2	-	-	2

In the prior year, the Directors declared and paid a cash dividend of \$6,085,370 to Anglo American CMC 1 S A from funds recalled from deposit from Anglo American Capital plc. Additionally, in 2009, the Company repurchased its issued shares (including the capital and premium components) totalling \$75,039,675.

**7 RELATED PARTY TRANSACTIONS**

At 31 December 2010, as identified in note 8, 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.

**8 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.