

ANGLO COAL CMC LONDON

Report and Financial Statements

31 December 2004



REPORT AND FINANCIAL STATEMENTS 2004

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REPORT AND FINANCIAL STATEMENTS 2004

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

N Jordan
A W Lea
D Smailes
P G Whitcutt
G A Wilkinson

SECRETARY

G A Wilkinson

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
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period ended 31 December 2004.

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 loss after taxation for the year was US\$2,117 (period from 28 February to 31 December 2003: – loss US\$1,880). The directors do not recommend the payment of a dividend for the year.

DIRECTORS AND THEIR INTERESTS

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

N Jordan
A W Lea
D Smailes
P G Whitcutt
G A Wilkinson

None of the aforementioned directors had any disclosable interests in the shares of the Company.

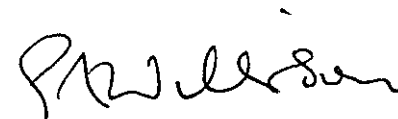
The interests of the directors in other group companies were disclosed as follows:

N Jordan	}	- in the annual financial statements of Anglo American Finance (UK) plc
G A Wilkinson		
P G Whitcutt		
A W Lea		- in the annual financial statements of Anglo American plc
D Smailes		- in the annual financial statements of Anglo American Capital plc

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.



G A Wilkinson

Secretary

26 August 2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 the system of internal control, 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 2004 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in equity shareholders' funds, and the related notes 1 to 11. 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit 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 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

1 September 2005

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2004

	Note	2004 US\$	Period from 28 February to 31 December 2003 US\$
Administrative expenses		(3,025)	(2,685)
OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(3,025)</u>	<u>(2,685)</u>
Tax credit on loss on ordinary activities	4	<u>908</u>	<u>805</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED LOSS FOR THE YEAR/PERIOD		<u><u>(2,117)</u></u>	<u><u>(1,880)</u></u>

All amounts derive from continuing operations.

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

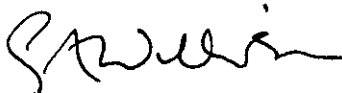
ANGLO COAL CMC LONDON

BALANCE SHEET
31 December 2004

	Note	2004 US\$	2003 US\$
CURRENT ASSETS			
Debtors	5	35,001,712	11,000,805
CREDITORS: amounts falling due within one year	6	(55,707)	(4,452,683)
NET ASSETS		<u>34,946,005</u>	<u>6,548,122</u>
CAPITAL AND RESERVES			
Called up share capital	7	402	102
Share premium account	9	34,949,600	6,549,900
Profit and loss account	8	(3,997)	(1,880)
EQUITY SHAREHOLDERS' FUNDS		<u>34,946,005</u>	<u>6,548,122</u>

The financial statements were approved by the Board of Directors on 26 August 2005.

Signed on behalf of the Board of Directors


Director

ANGLO COAL CMC LONDON

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Year ended 31 December 2004

	2004	Period from 28
		February to
		31 December
	US\$	2004
		US\$
Loss for the period	(2,117)	(1,880)
New shares issued	<u>28,400,000</u>	<u>6,550,000</u>
Net addition to shareholders' funds	28,397,883	6,548,120
Opening shareholders' funds	<u>6,548,122</u>	<u>2</u>
Closing shareholders' funds	<u><u>34,946,005</u></u>	<u><u>6,548,122</u></u>

NOTES TO THE ACCOUNTS

Year ended 31 December 2004

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost convention in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted by the directors are consistent with those adopted in the prior period 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.

Consolidated financial statements and cash flows

Group financial statements are not prepared for the company as the company is a wholly owned subsidiary of a company incorporated in Great Britain. 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.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees during the year (28 February to 31 December 2003 – nil). The directors received no remuneration during the year (28 February to 31 December 2003 – nil).

3. OPERATING LOSS

Operating loss is stated after charging:

	2004	28 February to 31 December 2003
	US\$	US\$
Auditors' remuneration for audit services	3,036	2,685

4. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2004	28 February to 31 December 2003
	US\$	US\$
Group relief	(908)	(805)
Total current tax credit	(908)	(805)

The tax credit is 30% (2003: 30%) of the loss on ordinary activities before taxation.

NOTES TO THE ACCOUNTS
Year ended 31 December 2004

5. DEBTORS

	2004 US\$	28 February to 31 December 2003 US\$
Amounts due from group companies	35,000,804	11,000,000
Group relief receivable	908	805
	<u>35,001,712</u>	<u>11,000,805</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 US\$	28 February to 31 December 2003 US\$
Amounts owed to fellow subsidiaries	49,997	4,449,998
Accruals and deferred income	5,710	2,685
	<u>55,707</u>	<u>4,452,683</u>

7. CALLED UP SHARE CAPITAL

	2004 US\$	28 February to 31 December 2003 US\$
Authorised:		
100,000 ordinary shares of US\$1 each	<u>100,000</u>	<u>100,000</u>
Called up, allotted and fully paid:		
402 ordinary shares of US\$1 each	<u>402</u>	<u>102</u>

100 US\$1 ordinary shares were issued on each of 20 April 2004, 24 August 2004 and 17 December 2004.

8. PROFIT AND LOSS ACCOUNT

	2004 US\$
As at 1 January 2004	(1,880)
Loss for the year	(2,117)
At 31 December 2004	<u>(3,997)</u>

9. SHARE PREMIUM

	2004 US\$
As at 1 January 2004	6,549,900
Additions	28,399,700
At 31 December 2004	<u>34,949,600</u>

NOTES TO THE ACCOUNTS

Year ended 31 December 2004

10. RELATED PARTY TRANSACTIONS

At 31 December 2004, as identified in note 11, 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.

11. PARENT COMPANY

The immediate parent undertaking is Anglo Coal CMC.

The ultimate parent company and controlling party is Anglo American plc, a company 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.