

ANGLO COAL CMC LONDON

Report and Financial Statements

Period from 28 February to 31 December 2003

Deloitte & Touche LLP
London



REPORT AND FINANCIAL STATEMENTS 2003

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REPORT AND FINANCIAL STATEMENTS 2003

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
54 Lombard Street
London

AUDITORS

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

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period from 28 February 2003 to 31 December 2003.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Company was incorporated on 28 February 2003 and its 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 period was US\$1,880. The directors do not recommend the payment of a dividend for the period.

DIRECTORS AND THEIR INTERESTS

Hackwood Directors Limited served as a director from 28 February 2003 to 11 March 2003.

The following were appointed as directors on 11 March 2003 and have served 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 UK 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 Viaduct Portfolio Management Ltd

AUDITORS

Deloitte & Touche LLP were appointed as the company's first auditors on 11 March 2003. 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

6 October 2004

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 period ended 31 December 2003 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds, and the related notes 1 to 9. 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.

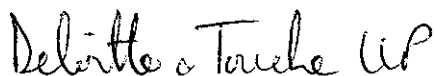
Basis of audit opinion

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 2003 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

18 October 2004

ANGLO COAL CMC LONDON

PROFIT AND LOSS ACCOUNT

Period from 28 February to 31 December 2003

	Note	2003
		US\$
Administrative expenses		<u>(2,685)</u>
OPERATING LOSS AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(2,685)
Tax credit on loss on ordinary activities		<u>805</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED LOSS FOR THE PERIOD		<u><u>(1,880)</u></u>

All amounts derive from continuing operations.

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


ANGLO COAL CMC LONDON

BALANCE SHEET 31 December 2003

	Note	2003
		US\$
CURRENT ASSETS		
Debtors	5	11,000,805
CREDITORS: amounts falling due within one year	6	(4,452,683)
NET ASSETS		<u>6,548,122</u>
CAPITAL AND RESERVES		
Called up share capital	7	102
Share premium account		6,549,900
Profit and loss account		<u>(1,880)</u>
EQUITY SHAREHOLDERS' FUNDS		<u>6,548,122</u>

The financial statements were approved by the Board of Directors on 6 October 2004.

Signed on behalf of the Board of Directors


N Jordan
Director

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003
	US\$
Loss for the period	<u>(1,880)</u>
New shares issued	6,550,000
Net addition to shareholders' funds	<u>6,548,120</u>
Opening shareholders' funds	<u>2</u>
Closing shareholders' funds	<u><u>6,548,122</u></u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

1. ACCOUNTING POLICY

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

Basis of preparation

The financial statements are prepared:

- a) under the historical cost convention; and
- b) in accordance with applicable accounting standards in the United Kingdom.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees during the period. The directors received no remuneration during the period.

3. OPERATING LOSS

Operating loss is stated after charging:

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

4. TAX ON LOSS ON ORDINARY ACTIVITIES

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

5. DEBTORS

	28 February to 31 December 2003 US\$
Amounts due from group companies	11,000,000
Group relief receivable	805

NOTES TO THE ACCOUNTS
Year ended 31 December 2003

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003
	US\$
Amounts owed to fellow subsidiaries	4,449,998
Accruals and deferred income	2,685
	<u>4,452,683</u>

7. CALLED UP SHARE CAPITAL

	2003
	US\$
Authorised:	
100,000 ordinary shares of US\$1 each	100,000
	<u>100,000</u>
Called up, allotted and fully paid:	
102 ordinary shares of US\$1 each	102
	<u>102</u>

The authorised share capital on incorporation was US\$100 divided into 100 Ordinary shares of US\$1.00 each. The authorised share capital of the Company was increased to US\$100,000 of Ordinary shares of US\$1.00 each on 10 December 2003. All the ordinary shares of the Company rank pari passu.

2 US\$1 ordinary shares were issued on incorporation, with a further 100 US\$1 ordinary shares being issued on 10 December 2003.

8. RELATED PARTY TRANSACTIONS

At 31 December 2003, as identified in note 9, 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.

9. PARENT COMPANY

The immediate parent undertaking is Anglo Coal CMC, a company incorporated in Luxembourg.

The ultimate parent company and controlling party is Anglo American plc, a company incorporated in Great Britain. 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.