

**ANGLO AMERICAN SERVICES (RUSSIA)  
LIMITED**

**Report and Financial Statements**

**31 December 2007**

THURSDAY



\*ARMWK2GL\*

A07

21/08/2008

90

COMPANIES HOUSE

# **ANGLO AMERICAN SERVICES (RUSSIA) LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2007**

<b>CONTENTS</b>	<b>Page</b>
<b>Officers and professional advisors</b>	<b>1</b>
<b>Directors' report</b>	<b>2-3</b>
<b>Statement of directors' responsibilities</b>	<b>4</b>
<b>Independent auditors' report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Notes to the accounts</b>	<b>8-11</b>

# **ANGLO AMERICAN SERVICES (RUSSIA) LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2007**

### **OFFICERS AND PROFESSIONAL ADVISORS**

#### **DIRECTORS**

A W Hodges  
N Jordan

#### **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

# **ANGLO AMERICAN SERVICES (RUSSIA) LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

## **BUSINESS REVIEW AND PRINCIPAL ACTIVITY**

The Company is involved in investigating potential investment opportunities in Russia. The directors have the present intention of maintaining the business in its current form for the foreseeable future.

The Company's directors believe that given the nature of the Company's activity, further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

## **RESULTS AND DIVIDENDS**

The loss after taxation for the year was £1,172,966 (2006 £1,125,751). The directors do not recommend the payment of a dividend for the year (2006 £nil).

## **FINANCIAL INSTRUMENTS**

The directors considered the risks attached to the Company's financial instruments which principally comprise of loans to 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.

Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the financial risks the directors consider relevant to the Company are credit and liquidity risk.

The Company's exposure to credit and liquidity risk is reduced because it is a 100% subsidiary of Anglo American plc. Credit risk is mitigated by the nature of the debtor balances owed, and liquidity risk is mitigated by the support given by Anglo American plc.

## **DIRECTORS**

Other than noted below, the following served as directors during the year and to the present time:

N Jordan

O C Ryan – resigned 15 April 2008

A W Hodges – appointed 4 January 2007

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/she ought to have taken as a director to make himself/herself 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.

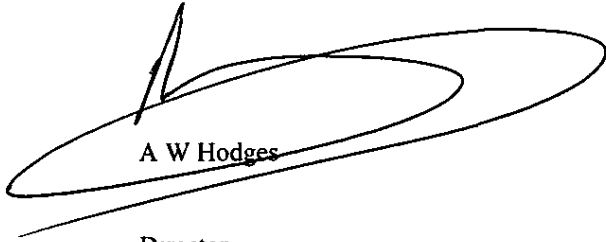
# ANGLO AMERICAN SERVICES (RUSSIA) LIMITED

## DIRECTORS' REPORT

### 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 14 April 2004

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



A W Hodges

Director

15/8/2008

# **ANGLO AMERICAN SERVICES (RUSSIA) LIMITED**

## **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 the system of internal controls 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 AMERICAN SERVICES (RUSSIA) LIMITED**

We have audited the financial statements of Anglo American Services (Russia) Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 12. 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.

### **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 loss 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**

Chartered Accountants and Registered Auditors

London, UK

15 August 2008

# ANGLO AMERICAN SERVICES (RUSSIA) LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 December 2007

	Note	2007 £	2006 £
Administrative expenses		<u>(1,172,966)</u>	<u>(1,125,751)</u>
<b>OPERATING LOSS</b>		<u>(1,172,966)</u>	<u>(1,125,751)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	(1,172,966)	(1,125,751)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>	9, 10	<u>(1,172,966)</u>	<u>(1,125,751)</u>

All amounts derive from continuing operations

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



# ANGLO AMERICAN SERVICES (RUSSIA) LIMITED

## BALANCE SHEET 31 December 2007

	Note	2007 £	2006 £
<b>FIXED ASSETS</b>	5	375,482	387,844
<b>CURRENT ASSETS</b>			
Debtors	6	242,314	168,553
Cash at bank and in hand		73,507	73,460
		<u>315,821</u>	<u>242,013</u>
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(4,311,708)</u>	<u>(3,077,296)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(3,995,887)</u>	<u>(2,835,283)</u>
<b>NET LIABILITIES</b>		<u>(3,620,405)</u>	<u>(2,447,439)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	1	1
Profit and loss account	10	<u>(3,620,406)</u>	<u>(2,447,440)</u>
<b>SHAREHOLDERS' DEFICIT</b>	9	<u>(3,620,405)</u>	<u>(2,447,439)</u>

These financial statements were approved by the Board of Directors on  
Signed on behalf of the Board of Directors

15/8/2008

A W Hodges  
Director

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

**1. ACCOUNTING POLICIES**

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 period and are described below.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation, calculated to write off in equal instalments the cost less estimated residual value of each asset over its estimated useful life.

Leasehold buildings, comprising property improvements, are depreciated over ten years. Other assets are depreciated over a period of four years except for telephone and security which are depreciated over a period of five years.

**Pensions**

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amount 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 is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. 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.

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

**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The Company had 9 employees during the year (2006 11), 3 of whom are in management, 4 in administration and 2 in operations. The directors received no remuneration during the year (2006 £nil)

	2007 £	2006 £
<b>Staff costs were:</b>		
Salaries	413,504	432,093
Social security costs	43,442	44,951
Other pension costs	22,264	21,955
	<u>479,210</u>	<u>498,999</u>

The pension costs represent contributions to a defined contribution pension plan. At 31 December 2007 there were no material outstanding/prepaid contributions and so no prepayment or accrual has been disclosed in the balance sheet in relation to this plan. The assets of the defined contribution plan are held separately in an independently administered fund. The charge in respect of this plan is calculated on the basis of the contribution payable by the Company in the financial year.

**3. LOSS ON OPERATING ACTIVITIES BEFORE TAXATION**

Loss on operating activities before taxation is stated after charging

	2007 £	2006 £
Auditors' remuneration	4,500	4,000
Depreciation	<u>71,972</u>	<u>63,378</u>

**4. TAX ON LOSS ON ORDINARY ACTIVITIES**

	2007 £	2006 £
Factors affecting tax charge		
Loss on ordinary activities before tax	<u>(1,172,966)</u>	<u>(1,125,751)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	351,890	337,725
Capital allowances for period in excess of depreciation	(9,658)	(7,263)
Group relief for nil consideration	<u>(342,232)</u>	<u>(330,462)</u>
Current tax for the year	<u>-</u>	<u>-</u>

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

**5. TANGIBLE FIXED ASSETS**

	<b>Motor vehicles, fixtures and fittings</b>
	<b>2007 Total £</b>
<b>Cost</b>	
At 1 January 2007	491,413
Additions	59,610
	<hr/>
At 31 December 2007	551,023
	<hr/>
<b>Depreciation</b>	
At 1 January 2007	(103,569)
Charge for the year	(71,972)
	<hr/>
At 31 December 2007	(175,541)
	<hr/>
<b>Net Book Value</b>	
At 31 December 2007	375,482
	<hr/>
At 31 December 2006	387,844
	<hr/>

**6. DEBTORS**

	<b>2007 US\$'000</b>	<b>2006 US\$'000</b>
Amounts due from group undertakings	217,281	145,569
Prepayments	25,033	22,984
	<hr/>	<hr/>
	242,314	168,553
	<hr/>	<hr/>

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

	<b>2007 US\$'000</b>	<b>2006 US\$'000</b>
Amounts due to group undertakings	(4,271,074)	(3,052,531)
Accruals	(40,634)	(24,765)
	<hr/>	<hr/>
	(4,311,708)	(3,077,296)
	<hr/>	<hr/>

# ANGLO AMERICAN SERVICES (RUSSIA) LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 2007

### 8. CALLED UP SHARE CAPITAL

	2007 £	2006 £
<b>Authorised:</b>		
100 (2006 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Called up, allotted and unpaid:</b>		
1 (2006 1) ordinary share of £1	<u>1</u>	<u>1</u>

### 9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2007 £	2006 £
Opening shareholders' deficit	(2,447,439)	(1,321,688)
Loss for the year	<u>(1,172,966)</u>	<u>(1,125,751)</u>
Closing shareholders' deficit	<u>(3,620,405)</u>	<u>(2,447,439)</u>

### 10. PROFIT AND LOSS ACCOUNT

	2007 £
At 1 January 2007	(2,447,440)
Loss for the year	<u>(1,172,966)</u>
At 31 December 2007	<u>(3,620,406)</u>

### 11. RELATED PARTY TRANSACTIONS

At 31 December 2007, as identified in note 12, 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 group companies.

### 12. ULTIMATE PARENT COMPANY

The immediate parent company is Anglo American Finance (UK) Limited, a company incorporated in Great Britain and registered in England and Wales.

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.