

Company Registration No. 5060871

**ANGLO AMERICAN SERVICES
(RUSSIA) LIMITED**

Report and Financial Statements

31 December 2008



ANGLO AMERICAN SERVICES (RUSSIA) LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

CONTENTS	Page
Officers and professional advisors	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	7
Balance sheet	8
Notes to the accounts	9-13

ANGLO AMERICAN SERVICES (RUSSIA) LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

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 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 2008.

BUSINESS REVIEW AND PRINCIPAL ACTIVITY

The Company was involved in investigating potential investment opportunities in Russia. As at 15 December 2008 the directors passed a resolution that would effect the termination of the Company's principal activities. This procedure was completed as at 31 March 2009.

The financial statements have therefore been prepared on a realised basis, rather than on a going concern basis, in accordance with Financial Reporting Standard 18 'Accounting Policies'. The realised basis includes, where appropriate, writing down the Company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such costs were committed at the balance date.

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 £3,024,922 (2007: £1,172,966). The directors do not recommend the payment of a dividend for the year (2007: nil).

EVENTS SUBSEQUENT TO BALANCE DATE

As at 15 December 2008 the directors passed the resolution that would effect the closure and termination of the Company's principal activities. This procedure was completed as at 31 March 2009.

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:

A W Hodges

N Jordan

O C Ryan – resigned 15 April 2008

ANGLO AMERICAN SERVICES (RUSSIA) LIMITED

DIRECTORS' REPORT

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

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.

AUDITORS

In accordance with Section 386 of the Companies Act 1985, Deloitte LLP is 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 October

2009

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 2008 which comprise the Balance Sheet, Profit and Loss Account and the related notes 1 to 13. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANGLO AMERICAN SERVICES (RUSSIA) LIMITED (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 2008 and the 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.

Emphasis of matter – Financial Statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

15/10/2009

ANGLO AMERICAN SERVICES (RUSSIA) LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2008

	Note	2008 £	2007 £
Administrative expenses		<u>(2,138,302)</u>	<u>(1,172,966)</u>
OPERATING LOSS	3	<u>(2,138,302)</u>	<u>(1,172,966)</u>
Costs attributable to closure		<u>(886,620)</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(3,024,922)</u>	<u>(1,172,966)</u>
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	10	<u><u>(3,024,922)</u></u>	<u><u>(1,172,966)</u></u>

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 2008

	Note	2008 £	2007 £
FIXED ASSETS	5	-	375,482
CURRENT ASSETS			
Debtors	6	392,789	242,314
Cash at bank and in hand		105,253	73,507
		<u>498,042</u>	<u>315,821</u>
CREDITORS: amounts falling due within one year	7	(7,143,369)	(4,311,708)
NET CURRENT LIABILITIES		<u>(6,645,327)</u>	<u>(3,995,887)</u>
NET LIABILITIES		<u>(6,645,327)</u>	<u>(3,620,405)</u>
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Profit and loss account	10	(6,645,328)	(3,620,406)
SHAREHOLDERS' DEFICIT	9	<u>(6,645,327)</u>	<u>(3,620,405)</u>

These financial statements were approved by the Board of Directors on *15 October* 2009.

Signed on behalf of the Board of Directors

A W Hodges

Director

NOTES TO THE ACCOUNTS
Year ended 31 December 2008

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 realised basis, rather than on a going concern basis, due to the termination of the Company as a trading entity as noted in the subsequent events note.

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 valued at net realisable value, in accordance with the realisation basis of accounting. The net realisable value has been determined following a review performed by management.

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 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 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 2008

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Company had 9 employees during the year (2007: 9), 3 of whom are in management, 4 in administration and 2 in operations. The directors received no remuneration during the year (2007: nil).

	2008 £	2007 £
Staff costs were:		
Salaries	583,189	413,504
Social security costs	40,927	43,442
Other pension costs	26,819	22,264
	<u>650,935</u>	<u>479,210</u>

The pension costs represent contributions to a defined contribution pension plan. At 31 December 2008 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. OPERATING LOSS

Operating loss is stated after charging:

	2008 £	2007 £
Auditors' remuneration	5,000	4,500
Depreciation	75,952	71,972
Impairment of fixed assets	325,723	-
	<u>406,675</u>	<u>76,472</u>

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	2008 £	2007 £
Current tax:		
Group relief	-	-
	<u>-</u>	<u>-</u>
Tax on loss on ordinary activities	-	-
	<u>-</u>	<u>-</u>
Factors affecting tax charge:		
Loss on ordinary activities before tax	(2,699,198)	(1,172,966)
	<u>(2,699,198)</u>	<u>(1,172,966)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007: 30%)	769,271	351,890
Capital allowances for period in excess of depreciation	(13,298)	(9,658)
Expenses not deductible for tax purposes	(130,035)	-
Group relief for nil consideration	(625,938)	(342,232)
	<u>(789,271)</u>	<u>(351,890)</u>
Current tax for the year	<u>-</u>	<u>-</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2008

5. TANGIBLE FIXED ASSETS

	Motor vehicles, fixtures and fittings
	2008 Total £
Cost	
At 1 January 2008	551,023
Additions	26,193
	<hr/>
At 31 December 2008	577,216
Depreciation	
At 1 January 2008	175,541
Charge for the year	75,952
Impairment charge	325,723
	<hr/>
At 31 December 2008	577,216
Net Book Value	
At 31 December 2008	-
	<hr/>
At 31 December 2007	375,482
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Motor vehicles, fixtures and fittings are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Due to the termination in the Company's principal activities, the directors performed a review of the asset's recoverable amount and deemed the full carrying amount to be impaired.

6. DEBTORS

	2008 £	2007 £
Amounts due from group undertakings	336,062	217,281
Prepayments	56,727	25,033
	<hr/>	<hr/>
	392,789	242,314
	<hr/>	<hr/>

ANGLO AMERICAN SERVICES (RUSSIA) LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2008**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Amounts due to group undertakings	6,082,182	4,271,074
Accruals	1,061,187	40,634
	<u>7,143,369</u>	<u>4,311,708</u>

8. CALLED UP SHARE CAPITAL

	2008 £	2007 £
Authorised:		
100 (2007: 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up, allotted and unpaid:		
1 (2007: 1) ordinary share of £1	<u>1</u>	<u>1</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2008 £	2007 £
Opening shareholders' deficit	(3,620,405)	(2,447,439)
Loss for the year	<u>(3,024,922)</u>	<u>(1,172,966)</u>
Closing shareholders' deficit	<u>(6,645,327)</u>	<u>(3,620,405)</u>

10. PROFIT AND LOSS ACCOUNT

	2008 £
At 1 January 2008	(3,620,406)
Loss for the year	<u>(3,024,922)</u>
At 31 December 2008	<u>(6,645,328)</u>

11. RELATED PARTY TRANSACTIONS

At 31 December 2008, 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.

NOTES TO THE ACCOUNTS

Year ended 31 December 2008

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.

13. EVENTS SUBSEQUENT TO BALANCE DATE

As at 15 December 2008 the directors passed the resolution that would effect the closure and termination of the Company's principal activities. This procedure was completed as at 31 March 2009.