

# **Camec Finance Limited**

(Registered number: 6662004)

## **Annual Report and Accounts for the year ended 31 December 2018**



# Camec Finance Limited

## Strategic Report for the year ended 31 December 2018

The directors of Camec Finance Limited (hereinafter 'Directors') present their Strategic report, their Directors' report and the Accounts for the year ended 31 December 2018.

### Strategic Report

#### Results

The results of Camec Finance Limited ('the Company') show a result of US\$nil (2017:US\$nil) for the financial year ended 31 December 2018. The Company has total equity of US\$nil as at 31 December 2018 and 2017.

#### Principal activities and review of the business

The Company is a fully owned subsidiary company of ENRC Africa Holdings Limited ('Parent'). The principal activity of the Company is to act as a treasury company for Eurasian Resources Group S.à.r.l. ('ERG S.à r.l.') and its subsidiaries (the 'Group'). The Directors do not anticipate any significant changes to the Company's principal activities in the future.

No key financial and other performance indicators have been identified for this company.

#### Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of ERG S.à r.l., and the Group and are not managed separately. Any inability of the Company to access commercially viable financing could undermine its ability to carry out necessary activities. Any deterioration of the Company's cash flow and profitability could adversely affect its ability to meet its existing financial obligations.

On behalf of the Board:



**Satzhan Temirgaliyev**

Director

Date: 13 June 2019

# Camec Finance Limited

## Directors' Report

### Directors

The Directors of the Company who were in office during the year and up to the date of signing the Accounts are:

Satzhan Temirgaliyev (appointed 16 August 2018)

Paul Aggleton (resigned 16 August 2018)

Dmitry Melnikov

### Dividends

The Directors have not declared any dividends in 2017 and 2018. The Directors do not propose the payment of a dividend.

### Qualifying third party indemnity provisions

The Company has entered into deeds of indemnity for the benefit of each Director of the Company in respect of liabilities to which they may become liable in their capacity as a Director of the Company. These indemnities are qualifying third party indemnity provisions within the meaning given to that term by Section 234 of the Companies Act 2006. These indemnity provisions were in force during the year and remain in force at the time this report is approved.

### Financial risk management

Financial risk management is the responsibility of the Company and the Company's ultimate parent entity, ERG S.à r.l. There have been no significant changes to any risk exposures from the previous year and as such no changes in the processes for managing risk.

### Going concern

ERG S.à r.l., the Company's ultimate parent company, has provided a letter of support for the Company, confirming their intention to provide support and assistance to enable the Company to meet its liabilities as they fall due and to carry on its business without significant curtailment of operations for the foreseeable future and not less than 12 months from the date of the approval of the Company's statutory accounts, as long as the entity remains part of the consolidated Group. The Directors have relied on this letter in forming a conclusion on going concern.

### Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Accounts ('the Accounts') in accordance with applicable law and regulation.

Company law requires the Directors to prepare the Accounts for each financial year. Under that law the Directors have prepared the Accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the Accounts 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 the Accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the Accounts;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the Accounts 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 Accounts comply with the Companies Act 2006.

The Directors 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.

# Camec Finance Limited

## Directors' Report (continued)

### Disclosure of information to auditors

Each of the Directors in office at the date of approval of this Report confirms that:

- 1) as far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- 2) the Director has taken all the steps that he ought to have taken as a Director in order 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 section 418 of the Companies Act 2006.

### Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, having indicated their willingness to continue in office and will be deemed to be re-appointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

### On behalf of the Board



**Satzhan Temirgaliyev**

Director

Date: 13 June 2019

# ***Independent auditors' report to the members of Camec Finance Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Camec Finance Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2018; the Profit and loss account and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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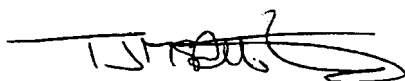
## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Timothy McAllister (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
13 June 2019

# Camec Finance Limited

## Profit and loss account

In millions of US\$	Note	<u>Year ended 31 December</u>	
		2018	2017
Interest receivable from Group undertakings		5	4
Impairment of interest receivable from Group undertakings		(5)	(4)
<b>Result before taxation</b>		-	-
Tax on result	4	-	-
<b>Result for the financial year</b>		-	-

There is no comprehensive income attributable to the shareholders of the Company other than the result for the year.

# Camec Finance Limited

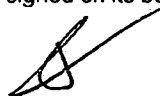
## Balance sheet

		As at 31 December	
In millions of US\$	Note	2018	2017
<b>Current assets</b>			
Amounts owed by Group undertaking		-	-
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	5	222	222
Other reserves		861	861
Profit and loss account		(1,083)	(1,083)
<b>Total equity</b>			
		-	-

The notes on page 9 to 11 are an integral part of the Accounts.

The Accounts on pages 6 to 11 were approved by the Board of Directors on  
signed on its behalf by:

13 June 2019 and were



**Satzhan Temirgaliyev**  
Director

Camec Finance Limited Registered number 6662004



# Camec Finance Limited

## Statement of changes in equity

For the year ended 31 December 2018

In millions of US\$	Called up share capital	Other reserves	Profit and loss account
Balance as at 1 January 2017	222	861	(1,083)
Result for the year and total comprehensive income	-	-	-
Balance as at 31 December 2017	222	861	(1,083)
Result for the year and total comprehensive income	-	-	-
<b>Balance as at 31 December 2018</b>	<b>222</b>	<b>861</b>	<b>(1,083)</b>

# Camec Finance Limited

## Notes to the Accounts for the year ended 31 December 2018

### 1. Principal accounting policies, judgements, estimates and assumptions

#### General information

The Company is a fully owned subsidiary company of ENRC Africa Holdings Limited ('Parent'). The principal activity of the Company is to act as a treasury company for Eurasian Resources Group S.à.r.l. ('ERG S.à.r.l.') and its subsidiaries (the 'Group'). The Company is a private limited company, limited by shares, and is incorporated and domiciled in England, United Kingdom. The registered office of the Company is 5th Floor, 6 St. Andrew Street, London EC4A 3AE.

#### Basis of preparation

These Accounts are for the year ended 31 December 2018.

These Accounts are prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 as applicable using the Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

The Company is a subsidiary of ERG S.à.r.l. and is included in the consolidated accounts of ERG S.à.r.l., which are publicly available. Consequently, the Company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 not to prepare group accounts. Therefore, these Accounts include financial information about the Company as an individual undertaking rather than as a group.

The principal accounting policies applied in the preparation of these Accounts are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### FRS101 disclosure exemptions

The following disclosure exemptions have been adopted under the FRS 101 reduced Disclosure framework:

IFRS 2, 'Share based payments': paragraphs 45(b) and 46 to 52

IFRS 7, 'Financial instruments: Disclosures'

IFRS 13, 'Fair value measurement': paragraphs 91 to 99

IAS 1, 'Presentation of Financial Statements': paragraphs 38; 10(d); 16; 38A; 38B-D; 111; and 134-136

IAS 7, 'Statement of Cash flows'

IAS 8, 'Accounting policies, changes in accounting estimates and errors': paragraphs 30 and 31

The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

IAS 36, 'Impairment of Assets': paragraphs 130 (f) (ii), 130 (f) (iii), 134 (d)-(f), 135 (c)-(e).

The Accounts are presented in US dollars and where applicable the values are rounded to the nearest dollar, thousand dollars and million dollars.

#### Critical accounting policies: use of judgements, estimates and assumptions

Inherent in the application of many of the accounting policies used in preparing the Accounts is the need for management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the Accounts and the reported amounts of revenues and expenses during the period. Actual outcomes could differ from the estimates and assumptions used. The critical judgements and estimates that could have a significant impact on the results of the Company are set out below and should be read in conjunction with the information provided in the notes to the Accounts.

#### Significant judgements and estimates: impairment / (impairment reversal) of investments and financial assets

Determination as to whether, and how much, an investment and/or financial asset is impaired or requires reversal of impairment involves management estimates on highly uncertain matters such as the effects of inflation and deflation on operating expenses, discount rates, production profiles, reserves and resources, and future commodity prices, including the outlook for global or regional market supply-and-demand conditions for mining materials.

For financial assets, expected credit loss (ECL) is based on the Company's assessment taking into account credit default swap (CDS) rates of comparative companies and the underlying estimated future cash flows of financial instruments.

# Camec Finance Limited

## Notes to the Accounts for the year ended 31 December 2018 continued

### 1. Principal accounting policies, judgements, estimates and assumptions (continued)

#### Changes in accounting policy and disclosures

The Company has applied IFRS 9 'Financial Instruments', effective for annual periods beginning on or after 1 January 2018, for the first time. There was no impact on the annual accounts of the Company for this change. IFRS 15 'Revenue from Contracts with Customers and the related Clarifications' is not applicable to the Company.

#### Going concern

ERG S.à r.l. has provided a letter of support for the Company, confirming their intention to provide support and assistance to enable the Company to meet its liabilities as they fall due and to carry on its business without significant curtailment of operations for the foreseeable future and not less than 12 months from the date of the approval of the Company's statutory accounts, as long as the entity remains part of the consolidated Group. The Directors have relied on this letter in forming a conclusion on going concern.

#### Foreign currency

The functional and presentation currency of the Company is USD. The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

### 2. Auditors' remuneration

Fees paid to the Company's auditors for the statutory audit are US\$14 thousand (2017: US\$14 thousand). This fee has been borne by a fellow Group company.

### 3. Key management personnel remuneration and employee information

Key management personnel ('KMP') are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. They include the Directors. For the year ending 31 December 2018, the allocation made, including amounts paid by other subsidiary undertakings of ERG S.à r.l., being short-term employee benefits, under separate employment contracts but not recharged, for KMP services provided to the Company was US\$45 thousand (2017: US\$12 thousand).

There were no employees employed by the Company during the year (2017: nil).

# Camec Finance Limited

## Notes to the Accounts for the year ended 31 December 2018 continued

### 4. Tax on result

The tax assessed is equal to (2017: equal to) the result on ordinary activities before taxation multiplied by the applicable rate of corporation tax in the UK of 19% pro rata (2017: 19.25%). The differences are explained below:

In millions of US\$	Year ended 31 December	
	2018	2017
<b>Reconciliation of total tax charge</b>		
Result before taxation	-	-
Notional tax on result before taxation at the standard tax rate of 19% (2017: 19.25%)	-	-
Effects of:		
Items not deductible for tax purposes	1	1
Group relief for nil payment	(1)	(1)
<b>Total on result</b>	-	-

The Company has realised a taxable profit of US\$5 million. Upon group relief surrender by UK group companies, no UK corporation tax is due for the financial year 2018.

The Company has no corporate tax losses available for carry-forward as per 31 December 2018.

#### Factors affecting future tax charges

The main UK corporation tax rate was reduced to 19% with effect from 1 April 2017. The main rate of corporation tax from 1 April 2020 will be 17%. On the basis that the Company does not have any recognised deferred tax assets or liabilities at the end of reporting period date, no re-measurement of these balances is necessary.

### 5. Called up share capital

At 31 December 2018 and 2017, the Company's authorised, issued and fully paid share capital is US\$222 million consisting of 222,064,659 shares of US\$1 par value each.

### 6. Ultimate parent company

The Company's ultimate parent company and controlling party is ERG S.à r.l., ERG S.à r.l. is the smallest and largest Group to consolidate these Accounts. ERG S.à r.l. is incorporated in Luxembourg. Copies of ERG S.à r.l.'s consolidated accounts are available from the Luxembourg Registre de Commerce et des Sociétés, L-2961 Luxembourg.

The immediate parent entity of the Company is ENRC Africa Holdings Limited incorporated in the United Kingdom.