

**ANGLO AMERICAN 2005 LIMITED**

**Report and Financial Statements**

**31 December 2006**



# **ANGLO AMERICAN 2005 LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2006**

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# **ANGLO AMERICAN 2005 LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2006**

### **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  
180 Strand  
London WC2R 1BL

# **ANGLO AMERICAN 2005 LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

### **PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The Company is a non-trading company. It is not foreseen that the Company will commence trading in the near future.

As shown in the Company's profit and loss account on page 6, the Company's interest received has increased by £74.7m. This is due to an increase in the intragroup debtor with Anglo American Services (UK) Ltd.

The balance sheet on page 7 of the financial statements shows that the Company's current assets at the year end have increased by 46.5% over the prior year. This is due to an increase of £652.7m in the loan to Anglo American Services (UK) Ltd.

The Company's directors believe that 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 profit for the year after tax was £80,325,080 (2005: £5,579,214). The directors do not recommend payment of a dividend for the year (2005: £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.

The director's policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so. The Company had no hedged transactions during the year.

### **DIRECTORS AND THEIR INTERESTS**

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

A. W. Hodges – appointed 26 May 2006

N. Jordan

G. A. Wilkinson – resigned 19 March 2006

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the directors at the date of approval of this report confirms that:

- (1) so 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 steps that he ought to have taken as a director 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 s234ZA of the Companies Act 1985.

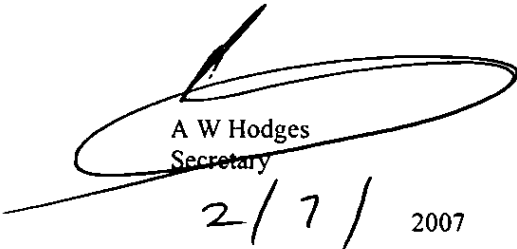
# ANGLO AMERICAN 2005 LIMITED

## DIRECTORS' REPORT (CONTINUED)

### 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 7 September 2005

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



A W Hodges  
Secretary

2 / 7 / 2007

**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 judgments 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 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 2005 LIMITED**

We have audited the financial statements of Anglo American 2005 Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, 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**

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 2006 and of its profit 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*

**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
London

*2 July* 2007

# ANGLO AMERICAN 2005 LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 December 2006

	Note	Year ended 31 Dec 2006 £	7 Sept to 31 Dec 2005 £
Interest received on loan to group undertakings		80,325,080	5,579,214
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	80,325,080	5,579,214
Tax charge on profit on ordinary activities	4	-	-
<b>PROFIT FOR THE FINANCIAL YEAR/PERIOD</b>		<u>80,325,080</u>	<u>5,579,214</u>

All amounts derive from continuing operations

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




# ANGLO AMERICAN 2005 LIMITED

## BALANCE SHEET 31 December 2006

	Note	2006 £	2005 £
<b>CURRENT ASSETS</b>			
Debtors intragroup		2,056,870,285	1,404,088,902
<b>NET CURRENT ASSETS</b>		<u>2,056,870,285</u>	<u>1,404,088,902</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,056,870,285</u>	<u>1,404,088,902</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	21,785	14,001
Share premium account		1,970,944,206	1,398,495,687
Profit and loss account	6	85,904,294	5,579,214
<b>EQUITY SHAREHOLDERS' FUNDS</b>	6	<u>2,056,870,285</u>	<u>1,404,088,902</u>

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

2 July 2007

  
N Jordan  
Director

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2006**

**1. ACCOUNTING POLICIES**

**Basis of preparation**

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 are described below, and have been applied consistently throughout the current and prior years.

**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 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.

**2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The audit fee in 2006 of £4,000 (2005: £4,000) has been borne by Anglo American Services (UK) Ltd.

**3. DIRECTORS AND EMPLOYEES**

The Company had no employees during the year (2005: none). The directors received no remuneration in respect of their services to the Company (2005: £nil).

# ANGLO AMERICAN 2005 LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 2006

### 4. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in year

	2006 £	2005 £
<b>Current tax:</b>		
Total current tax	-	-
<b>Tax charge on profit on ordinary activities</b>	-	-

#### (b) Factors affecting tax charge for year

The current tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below

	2006 £	2005 £
Profit on ordinary activities before tax	80,325,080	5,579,214
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	(24,097,524)	(1,673,764)
Effects of Group relief for nil consideration	24,097,524	1,673,764
	-	-

### 5. CALLED UP SHARE CAPITAL

	2006 £	2005 £
<b>Authorised:</b>		
10,000,000,000 ordinary shares of US\$1 each	5,811,300,000	5,811,300,000
10,000,000,000 ordinary shares of £1 each	10,000,000,000	10,000,000,000
1,000 Class B ordinary shares of £1 each	1,000	1,000
<b>Called up, allotted and fully paid</b>		
20,784 ordinary shares of £1 each	20,784	13,000
2 ordinary shares of US\$1 each	1	1
1,000 Class B ordinary shares of £1 each	1,000	1,000
	21,785	14,001

During the course of the year the company issued 7,784 ordinary shares resulting in an increase of ordinary share capital and share premium account of £7,784 and £572,448,519 respectively

The holders of the B shares are entitled to payment of a dividend out of the profits available for distribution and resolved to be distributed, provided that the holders of the Company's £1 Ordinary Shares and US\$1 Ordinary Shares consent in writing to the payment of such dividend on the B shares

The holders of the B shares do not have any right to a return of capital on a winding up of the Company or to receive notice of, attend, speak or vote at any general meeting of the Company. The holders of the US\$1 Ordinary shares and £1 Ordinary shares have equal rights

# ANGLO AMERICAN 2005 LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 2006

### 6. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	Ordinary shares	Share Premium Account	Profit and loss account	Total
	£	£	£	£
At 1 January 2006	14,001	1,398,495,687	5,579,214	1,404,088,902
Shares issued during the year	7,784	572,448,519	-	572,456,303
Retained profit	-	-	80,325,080	80,325,080
At 31 December 2006	<u>21,785</u>	<u>1,970,944,206</u>	<u>85,904,294</u>	<u>2,056,870,285</u>

### 7. RELATED PARTY TRANSACTIONS

At 31 December 2006, as identified in note 8, 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.

### 8. ULTIMATE PARENT COMPANY

The immediate parent company is Anglo American Luxembourg Sarl, a company incorporated and registered in Luxembourg. Copies of the financial statements of Anglo American Luxembourg Sarl may be obtained from the Company Secretary, 48 rue de Bragance, L-1255, Luxembourg.

The ultimate parent company and controlling entity 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. The financial statements of the ultimate parent company may be obtained from the Company Secretary, 20 Carlton House Terrace, London SW1Y 5AN.

### 9. EVENTS OCCURRING AFTER END OF YEAR

On 3 April 2007 the company issued 74 ordinary shares resulting in an increase in ordinary share capital and the share premium account of £74 and £3,793,580 respectively.