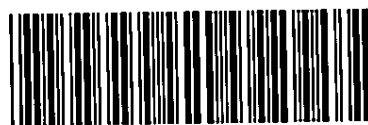


MALLORD PROPERTIES LIMITED

Report and Financial Statements

31 December 2007

TUESDAY



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REPORT AND FINANCIAL STATEMENTS 2007

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REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

A W Hodges
N Jordan
P G Whitcutt

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

DIRECTORS' REPORT

The directors present their annual report and the financial statements for the year ended 31 December 2007. This directors report has been prepared in accordance with the special provisions relating to small companies under section 246 (4) of the Companies Act 1985.

PRINCIPAL ACTIVITY AND FUTURE PROSPECTS

The Company disposed of its freehold property asset at market value during the year. The future of the Company is under review. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the company is other than a going concern.

RESULTS AND DIVIDENDS

The profit after taxation for the year was £3,787,084 (2006 loss of £52,219). The directors do not recommend the payment of a dividend for the year (2006 £nil).

FINANCIAL RISK MANAGEMENT

The directors considered the risks attached to the Company's financial instruments which principally comprise operating debtors, operating creditors and loans from 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 directors' 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

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

N Jordan	1.1.06 to 31.12.06
P G Whitcutt	1.1.06 to 31.12.06
A W Hodges – appointed 4 January 2007	1.1.07 to 31.12.07
G A Wilkinson – resigned 19 March 2007	1.1.06 to 19.03.07

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

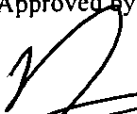
- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (2) the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors 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.

AUDITORS

In accordance with Section 386 of the Companies Act 1985, Deloitte & Touche LLP is deemed to remain in office as auditors under the terms of an Elective Resolution dated 9 March 1992.

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


A W Hodges
Secretary

2 July 2008

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 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 MALLORD PROPERTIES LIMITED

We have audited the financial statements of Mallord Properties Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 11. 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALLORD PROPERTIES LIMITED

Emphasis of matter – going concern

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 & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, UK

2 July 2008

MALLORD PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2007

	Note	2007 £	2006 £
Turnover	1	14,893	22,369
Gross profit		<u>14,893</u>	<u>22,369</u>
Administrative expenses		<u>(33,694)</u>	<u>(74,588)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>(18,801)</u>	<u>(52,219)</u>
Profit on sale of fixed assets	2	<u>3,805,885</u>	<u>-</u>
PROFIT / (LOSS) FOR THE FINANCIAL YEAR BEFORE TAXATION		3,787,084	(52,219)
Tax on ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT / (LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION	9	<u><u>3,787,084</u></u>	<u><u>(52,219)</u></u>

All amounts derive from discontinued operations. There are no recognised gains and losses other than the losses shown above and therefore no separate statement of total recognised gains and losses has been presented.

MALLORD PROPERTIES LIMITED


BALANCE SHEET 31 December 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Tangible assets	5	-	3,152,969
CURRENT ASSETS			
Debtors	6	3,461,348	17,402
		3,461,348	17,402
CREDITORS: amounts falling due within one year	7	-	(3,496,107)
NET CURRENT ASSETS / (LIABILITIES)		3,461,348	(3,478,705)
TOTAL ASSETS LESS CURRENT ASSETS / (LIABILITIES)		3,461,348	(325,736)
NET ASSETS / (LIABILITIES)		3,461,348	(325,736)
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Profit and loss account		3,461,346	(325,738)
SHAREHOLDERS' FUNDS / (DEFICIT)	9	3,461,348	(325,736)

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

2 July

2008


N Jordan
Director

NOTES TO THE ACCOUNTS
Year ended 31 December 2007

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.

Due to the disposal of the freehold property that took place during the year, the financial statements have continued to be prepared on the basis the company is other than a going concern.

The particular accounting policies adopted are consistent with those adopted in the prior year and are described below.

Turnover

Turnover represents the gross value of rental income invoiced and service charges excluding value added tax, all arising in the United Kingdom.

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.

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.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	2% per annum
Fixtures and fittings	10% per annum

NOTES TO THE ACCOUNTS
Year ended 31 December 2007

2. OPERATING LOSS

	2007 £	2006 £
Operating loss is after charging.		
Depreciation charge for the year	2,631	10,525
- fixtures and fittings	3,805,885	-
Profit on sale of fixed assets	<u> </u>	<u> </u>

The audit fee of £1,000 (2006 £1,000), payable to the company's auditor for the audit of the company's annual accounts, has been borne by Anglo American Services(UK) Ltd in both the current and preceding years

3. DIRECTORS AND EMPLOYEES

The Company had no employees during the year (2006 none) The directors receive no remuneration or emoluments from the Company (2006 £nil)

4. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

Factors affecting tax for year

	2007 £	2006 £
Profit / (loss) on ordinary activities before tax	<u>3,787,084</u>	<u>(52,219)</u>
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	(1,136,125)	15,666
Effects of		
Capital allowances in excess of depreciation	-	1,025
Expenses not deductible for tax purposes	(7,854)	(6,158)
Group relief surrendered for nil consideration	<u>1,143,979</u>	<u>(10,533)</u>
Current tax credit for year	<u> </u>	<u> </u>

There are unprovided deferred tax assets of £23,081 (2006 £26,156), representing £nil (2006 £3,075) accelerated capital allowances and £23,081 (2006 £23,081) tax losses carried forward

NOTES TO THE ACCOUNTS
Year ended 31 December 2007

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Freehold property £	Total £
Cost			
At 1 January 2007	109,342	3,147,718	3,257,060
Disposal	(109,342)	(3,147,718)	(3,257,060)
	<hr/>	<hr/>	<hr/>
At 31 December 2007	-	-	-
Accumulated depreciation			
At 1 January 2007	(56,991)	(47,100)	(104,091)
Charge for the year	(2,631)	-	-
Disposal of assets	59,622	47,100	104,091
	<hr/>	<hr/>	<hr/>
At 31 December 2007	-	-	-
Net book value			
At 31 December 2007	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2006	52,351	3,100,618	3,152,969
	<hr/>	<hr/>	<hr/>

6 DEBTORS. AMOUNTS DUE WITHIN ONE YEAR

	2007 £	2006 £
Amounts owed by fellow subsidiary undertaking	3,456,123	12,177
Other debtors	5,225	5,225
	<hr/>	<hr/>
	3,461,348	17,402
	<hr/>	<hr/>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Amounts owed to fellow subsidiary undertaking	-	3,488,510
Accruals and deferred income	-	7,597
	<hr/>	<hr/>
	-	3,496,107
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

8. CALLED UP SHARE CAPITAL

	2007 £	2006 £
Authorised:		
100 (2006 100) ordinary shares of £1 each	100	100
Called up, allotted and unpaid		
2 (2006 2) ordinary shares of £1 each	2	2

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £
Opening shareholders' deficit	(325,736)
Profit for the year	3,787,084
Closing shareholders' funds	3,461,348

10. RELATED PARTY TRANSACTIONS

The Company rented out its property, 22 Mallord Street, London, at a rate of £140 per night, inclusive of VAT, to group executives and staff visiting from abroad for business purposes. In all cases rents were reimbursed by fellow group companies. Total income of £3,892 (2006 £22,253) was received during the year from Mr A J Trahar, formerly Group Chief Executive, in respect of the Company's property. On 29 June 2007 the Company entered into a contract to sell the freehold property and all fixtures and fittings to Mr A J Trahar for total consideration of £6,991,800 (£6,930,000 for the property and £61,800 for contents). This transaction was carried out at full market value and the proceeds were received by the company following completion. The gain on sale was £3,805,885.

At 31 December 2007, as identified in note 11, 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.

11. 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 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 both the immediate and ultimate parent company may be obtained from the Company Secretary, 20 Carlton House Terrace, London SW1Y 5AN.

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