

**MALLORD PROPERTIES LIMITED**

**Report and Financial Statements**

**31 December 2001**

**Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR**



**REPORT AND FINANCIAL STATEMENTS 2001**

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**REPORT AND FINANCIAL STATEMENTS 2001**

**GENERAL INFORMATION**

**DIRECTORS**

N Jordan  
A W Lea  
P G Whitcutt  
G A Wilkinson

**SECRETARY**

G A Wilkinson

**REGISTERED OFFICE**

20 Carlton House Terrace  
London SW1Y 5AN

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Hill House  
1 Little New Street  
London EC4A 3TR

**DIRECTORS' REPORT**

The directors present their annual report and the financial statements for the year ended 31 December 2001.

**PRINCIPAL ACTIVITY AND FUTURE PROSPECTS**

The Company is a property holding company. The directors do not foresee any changes in the Company's portfolio in the near future and believe the Company's future prospects to be satisfactory.

**RESULTS AND DIVIDENDS**

The loss after taxation for the year was £16,906 (2000 – £1,793). The directors do not recommend the payment of a dividend for the year (2000 – nil).

**DIRECTORS AND THEIR INTERESTS**

Other than shown below, the following served as directors throughout the year and to the present time:

N Jordan  
A W Lea                    - appointed 14 December 2001  
D A Turner                - resigned 14 December 2001  
P G Whitcutt  
G A Wilkinson

G A Wilkinson has held one ordinary share, non-beneficially, in the Company throughout the year. Other than the aforementioned, none of the directors had any disclosable interests in the shares of the Company.

The interests of directors in other group companies were disclosed as follows:

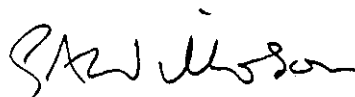
N Jordan	}	- in the annual financial statements of Anglo American Finance (UK) PLC
D A Turner		
P G Whitcutt		
G A Wilkinson		

A W Lea                    - in the annual financial statements of Anglo American plc

**AUDITORS**

Deloitte & Touche were appointed auditors during the year. In accordance with Section 386 of the Companies Act 1985, Deloitte & Touche are 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

  
GA Wilkinson

Secretary

12/08/2002

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those 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 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 which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for the system of internal control, 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 2001 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.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

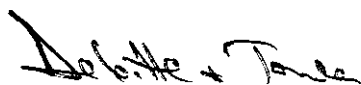
### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom auditing standards 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 judgements 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 of the state of the company's affairs as at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and  
Registered Auditors

16 August 2002

**Deloitte  
& Touche  
Tohmatsu**

Aberdeen, Belfast, Birmingham, Bracknell, Bristol, Cambridge, Cardiff, Crawley, Edinburgh, Glasgow, Leeds, Liverpool, London, Manchester, Milton Keynes, Newcastle upon Tyne, Nottingham, St Albans and Southampton.

Principal place of business at which a list of partners' names is available: Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR.

Authorised by the Financial Services Authority in respect of regulated activities.

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2001**

	Note	2001 £	2000 £
<b>TURNOVER</b>	1,9	6,128	-
Gross profit		6,128	-
Administrative expenses		(23,034)	(1,793)
<b>OPERATING LOSS</b>	2	(16,906)	(1,793)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION</b>		(16,906)	(1,793)
<b>Retained loss for the financial year</b>		(16,906)	(1,793)
<b>Retained loss brought forward</b>		(1,793)	-
<b>Retained loss carried forward</b>		(18,699)	(1,793)

All amounts derive from continuing operations.

There are no recognised gains and losses or other movements in shareholders' funds for the current year and preceding year other than as stated in the profit and loss account. Accordingly, neither a statement of total recognised gains and losses nor a reconciliation of movements in shareholders' funds has been prepared.


**MALLORD PROPERTIES LIMITED**
**Deloitte  
& Touche**
**BALANCE SHEET**  
**31 December 2001**

	Note	2001 £	2000 £
<b>FIXED ASSETS</b>			
Tangible assets	4	<u>3,250,630</u>	<u>2,955,493</u>
<b>CURRENT ASSETS</b>			
Debtors	5	<u>277</u>	<u>2</u>
<b>CREDITORS: amounts falling due within one year</b>	6	<u>(3,269,604)</u>	<u>(2,957,286)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(3,269,327)</u>	<u>(2,957,284)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(18,697)</u>	<u>(1,791)</u>
<b>NET LIABILITIES</b>		<u>(18,697)</u>	<u>(1,791)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	2	2
Profit and loss account		<u>(18,699)</u>	<u>(1,793)</u>
<b>TOTAL EQUITY SHAREHOLDERS' DEFICIT</b>		<u>(18,697)</u>	<u>(1,791)</u>

These financial statements were approved by the Board of Directors on

*12/08/* 2002.

Signed on behalf of the Board of Directors



N Jordan  
Director



## NOTES TO THE ACCOUNTS

Year ended 31 December 2001

## 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Basis of preparation**

The financial statements are prepared under the historical cost convention modified by the revaluation of freehold properties.

The ultimate parent company has confirmed its intention to provide financial support as necessary and on this basis the directors are satisfied the going concern basis of preparation continues to be appropriate.

**Tangible fixed assets**

Depreciation is provided on cost in equal annual instalments over the estimated lives of the assets.

No depreciation has been provided on the freehold property because the directors believe both the annual depreciation charge and the accumulated balance to be immaterial. This is due to the estimated length of the remaining useful economic life of the property being greater than 50 years, and the estimated residual value of the property being not materially different to the carrying value.

The rate of depreciation on fixtures and fittings is 25% per annum.

**Turnover**

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

**Deferred taxation**

Deferred taxation is provided on all timing differences, arising from the different treatment of items for accounting and taxation purposes that are expected to reverse in the future, to the extent that a liability or asset is expected to crystallise in the foreseeable future. The deferred taxation provision is calculated at the rates at which it is expected that tax will arise.

## 2. OPERATING LOSS

	2001 £	2000 £
<b>Operating loss is after charging:</b>		
Auditors' remuneration		
- audit fees	3,000	1,500

## 3. DIRECTORS AND EMPLOYEES

The Company had no employees during the year (2000 – none). The directors receive no remuneration or emoluments from the Company (2000 – nil).

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2001**

**4. TANGIBLE FIXED ASSETS**

	<b>Fixtures and Fittings £</b>	<b>Freehold property £</b>	<b>Total £</b>
Cost or valuation:			
At 1 January 2001	-	2,955,493	2,955,493
Additions	105,592	192,225	297,817
	<u>105,592</u>	<u>3,147,718</u>	<u>3,253,310</u>
At 31 December 2001			
Accumulated depreciation			
At 1 January 2001	-	-	-
Charge for the year	(2,681)	-	(2,681)
	<u>(2,681)</u>	<u>-</u>	<u>(2,681)</u>
At 31 December 2001			
Net book value			
At 31 December 2001	<u>102,911</u>	<u>3,147,718</u>	<u>3,250,629</u>
At 31 December 2000	<u>-</u>	<u>2,955,493</u>	<u>2,955,493</u>

The freehold property was valued by the directors of the company on an open market basis. In their opinion the open market value for the existing use is £3,147,718 (2000 - £2,955,493).

**5. DEBTORS**

	<b>2001 £</b>	<b>2000 £</b>
Amounts owed by fellow subsidiary undertaking	<u>277</u>	<u>2</u>

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

	<b>2001 £</b>	<b>2000 £</b>
Amounts owed to fellow subsidiary undertaking	3,266,532	2,955,786
Accruals and deferred income	3,072	1,500
	<u>3,269,604</u>	<u>2,957,286</u>

**7. PROVISIONS FOR LIABILITIES AND CHARGES**

The potential amounts of deferred tax not provided are:

	<b>Unprovided 2001 £</b>	<b>2000 £</b>
Short-term timing differences	<u>-</u>	<u>538</u>

NOTES TO THE ACCOUNTS  
Year ended 31 December 2001

## 8. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised: 100 ordinary shares of £1 each	100	100
Called up, allotted and fully paid: 2 ordinary shares of £1 each	2	2

## 9. TRANSACTIONS WITH DIRECTORS

The Company rented out its property, 22 Mallord Street, at a rate of £120 per night to group executives and staff visiting from abroad. Total income of £5,821 was received during the year from Mr A J Trahar in respect thereto.

## 10. RELATED PARTY TRANSACTIONS

At 31 December 2001, 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 and immediate controlling entity is Anglo American Services (UK) Ltd, a company incorporated in Great Britain.

The ultimate parent company and ultimate controlling entity is Anglo American plc, a company incorporated in Great Britain. 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.