

REUNION MINING LIMITED

Report and Financial Statements

31 December 2007

TUESDAY



AA8NS1FN

A40

15/07/2008

214

COMPANIES HOUSE

REUNION MINING LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2-3
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	6
Balance sheet	7
Notes to the accounts	8-10

REUNION MINING LIMITED

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

REUNION MINING LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited 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.

BUSINESS REVIEW AND PRINCIPAL ACTIVITY

The Company is an investment holding company. There have not been any significant changes in the Company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

As shown in the Company's profit and loss account on page 6, the Company's interest receivable and similar income has increased from £2,925,000 to £3,495,000. Profit after tax has similarly increased by £572,000 due to interest income on an intra-group loan.

The balance sheet on page 7 of the financial statements shows that the Company's net assets have increased to £60.5m from £57.0m in the prior year, due to an increase in the intra-group loan balance.

The Company's directors believe that given the nature of the Company's activities 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 on ordinary activities after taxation for the year was £3,495,000 (2006: £2,923,000). The directors do not recommend the payment of a dividend for the year (2006: nil).

FINANCIAL INSTRUMENTS

Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the financial risk 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

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

N Jordan

P G Whitcutt

A W Hodges – appointed 4 January 2007

G A Wilkinson – resigned 19 March 2007

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/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.

REUNION MINING LIMITED

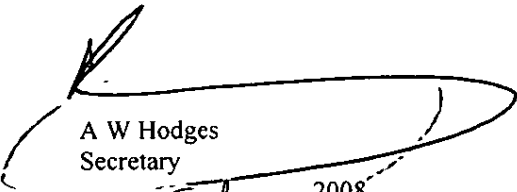
DIRECTORS' REPORT

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 8 September 2000

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



A W Hodges
Secretary

2 July 2008

REUNION MINING 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 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 REUNION MINING LIMITED

We have audited the financial statements of Reunion Mining Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 12. 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.

Deloitte & Touche LLP

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

2 July 2008

REUNION MINING LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2007

	Note	2007 £'000	2006 £'000
Operating Income		-	5
OPERATING PROFIT	2	-	5
Interest receivable and similar income	4	3,495	2,925
Interest payable and similar charges	5	-	(7)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,495	2,923
Tax charge on profit on ordinary activities	6	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>3,495</u>	<u>2,923</u>

All amounts derive from continuing operations

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

REUNION MINING LIMITED

BALANCE SHEET

31 December 2007

	Note	2007 £'000	2006 £'000
CURRENT ASSETS			
Amounts owed by group undertakings		61,329	58,447
Cash at bank and in hand		66	66
		<u>61,395</u>	<u>58,513</u>
CREDITORS: amounts falling due within one year	7	(892)	(1,312)
NET CURRENT ASSETS		<u>60,503</u>	<u>57,201</u>
CREDITORS: amounts falling due after more than one year	8	-	(193)
		<u>60,503</u>	<u>57,008</u>
CAPITAL AND RESERVES			
Called up share capital	9	4,540	4,540
Share premium account	10	16,640	16,640
Profit and loss account	10	39,323	35,828
SHAREHOLDERS' FUNDS		<u>60,503</u>	<u>57,008</u>

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

REUNION MINING LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

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 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.

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.

2. OPERATING PROFIT

	2007 £'000	2006 £'000
Operating profit is after crediting:		
Exchange gain	-	5

The audit fee of £1,500 (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. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

There were no employees during the year (2006: none). The directors received no remuneration during the year (2006: £nil).

REUNION MINING LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £'000	2006 £'000
Interest income – from group undertakings	3,494	2,924
Bank interest receivable	1	1
	<u>3,495</u>	<u>2,925</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £'000	2006 £'000
Interest payable on bank loan	-	7
	<u>-</u>	<u>7</u>

6. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

Factors affecting tax for the year

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

	2007 £'000	2006 £'000
Profit on ordinary activities before tax	3,495	2,923
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	(1,049)	(877)
Effects of Group relief for nil consideration	1,049	877
Current tax charge for the year	<u>-</u>	<u>-</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £'000	2006 £'000
Bank loan	187	193
Trade creditors	19	19
Amounts owed to group undertakings	675	1,089
Interest payable	11	11
	<u>892</u>	<u>1,312</u>

REUNION MINING LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

8. CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007 £'000	2006 £'000
Bank loan	-	193

The remaining balance on loan from the European Investment Bank as at December 2007 is repayable in 2008 and therefore has been classified as falling due within one year. The loan bears interest of 1% per annum annually in arrears.

9. CALLED UP SHARE CAPITAL

	2007 £'000	2006 £'000
Authorised:		
50,000,000 (2006 50,000,000) ordinary shares of 10p each	5,000	5,000
Called up, allotted and fully paid:		
45,403,435 (2006 45,403,435) ordinary shares of 10p each	4,540	4,540

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Ordinary shares £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2007	4,540	16,640	35,828	57,008
Retained profit for the period	-	-	3,495	3,495
At 31 December 2007	4,540	16,640	39,323	60,503

11. RELATED PARTY TRANSACTIONS

At 31 December 2007, 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.

12. ULTIMATE PARENT AND CONTROLLING PARTY

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. Copies of the group accounts of the immediate and ultimate parent companies are available from the Company Secretary, 20 Carlton House Terrace, London SW1Y 5AN.