

REUNION MINING LIMITED

Report and Financial Statements

31 December 2011

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REUNION MINING LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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REUNION MINING LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

A W Hodges
N Jordan
D Smailes

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

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

REUNION MINING LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2011. This directors' report has been prepared in accordance with the provisions relating to small companies.

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 7, the Company's profit after tax interest has increased from £333,000 to £354,000. The balance sheet on page 8 of the financial statements shows that the Company's net assets have increased to £64,880,000 from £64,526,000 in the prior year, due to the profit after tax of £354,000 which has not been distributed.

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 £354,000 (2010: £333,000). The directors do not recommend the payment of a dividend for during the year (2010: £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 intercompany 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:

A W Hodges
N Jordan
D Smailes

GOING CONCERN

The directors consider it reasonable to assume that the Company has adequate resources to continue for the foreseeable future and, for this reason, have continued to adopt the going concern basis in preparing the accounts (further details are provided in Note 1).

REUNION MINING LIMITED

DIRECTORS' REPORT (continued)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

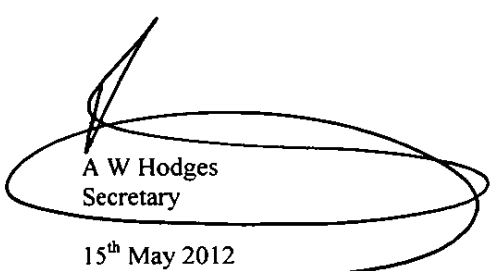
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

AUDITOR

In accordance with Section 485-488 of the Companies Act 2006, Deloitte LLP is deemed to remain in office as auditor under the terms of an Elective Resolution dated 14 April 2004

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



A W Hodges
Secretary

15th May 2012

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). Under company law the directors must not approve the financial statements 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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 financial statements comply with the Companies Act 2006. 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 AUDITOR'S REPORT TO THE MEMBERS OF REUNION MINING LIMITED

We have audited the financial statements of Reunion Mining Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REUNION MINING LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



Christopher Thomas (Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

15 May 2012

REUNION MINING LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2011

	Notes	2011 £'000	2010 £'000
Operating income		-	37
OPERATING PROFIT	2	-	37
Interest receivable and similar income from group companies		354	296
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		354	333
Tax charge on profit on ordinary activities	4	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		354	333

All amounts derive from continuing operations

There are no recognised gains or 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 As at 31 December 2011

	Notes	2011 £'000	2010 £'000
CURRENT ASSETS			
Amounts receivable from group undertakings		65,107	64,790
Cash at bank and in hand		235	198
		<u>65,342</u>	<u>64,988</u>
CREDITORS: amounts falling due within one year	5	<u>(462)</u>	<u>(462)</u>
NET CURRENT ASSETS		<u>64,880</u>	<u>64,526</u>
NET ASSETS		<u>64,880</u>	<u>64,526</u>
CAPITAL AND RESERVES			
Called up share capital	6	4,540	4,540
Share premium account	7	16,640	16,640
Profit and loss account	7	<u>43,700</u>	<u>43,346</u>
SHAREHOLDERS' FUNDS		<u>64,880</u>	<u>64,526</u>

These financial statements of the Company with registration number 02437321, were approved by the Board of Directors on 15 May 2012

Signed on behalf of the Board of Directors


N Jordan
Director

REUNION MINING LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2011

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.

Going concern

The Company's ability as a going concern is assessed in conjunction with Anglo American plc and its subsidiaries (together the "Group") as its viability is dependent upon the ability of the Group companies to settle their intercompany balances with the Company and to provide funds for working capital needs.

The directors of the Company feel that after appropriate consultation with the directors of Anglo American plc, the Company will have sufficient funds, taking account of possible changes in trading performance and amounts owed by other Group companies, to conclude that the Company can adopt the going concern basis for the foreseeable future.

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.

REUNION MINING LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2011

2. OPERATING PROFIT

	2011 £'000	2010 £'000
Operating profit after crediting:		
Exchange gain	-	7

The audit fee payable to the Company's auditor for the audit of the Company's annual accounts, of £1,398 (2010 £2,700) 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 (2010 none) The directors received no remuneration during the year (2010 £nil)

4. 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

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	354	333
Estimated tax on profit on ordinary activities calculated at standard rate of corporation tax in the UK of 26.5% (2010 28%)	(94)	(94)
Effects of Group relief for nil consideration	94	94
Current tax charge for the year	-	-

On 21 March 2012, the UK Government announced a reduction in the main rate of corporation tax from 26% to 24% effective from 1 April 2012. The Government also intends to enact future reductions in the main tax rate of 1% each year down to 22% by 1 April 2014. As it was not substantively enacted at the balance sheet date, the rate reduction is not yet reflected in these financial statements in accordance with FRS 21, as it is a non-adjusting event occurring after the reporting period.

REUNION MINING LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2011

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Amounts owed to group undertakings	462	462
	<u>462</u>	<u>462</u>

6. CALLED-UP SHARE CAPITAL

	2011 £'000	2010 £'000
Allotted, called-up and fully paid: 45,403,435 (2010 45,403,435) ordinary shares of 10p each	4,540	4,540
	<u>4,540</u>	<u>4,540</u>

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2010	4,540	16,640	43,013	64,193
Profit for the period	-	-	333	333
At 31 December 2010	<u>4,540</u>	<u>16,640</u>	<u>43,346</u>	<u>64,526</u>
At 1 January 2011	4,540	16,640	43,346	64,526
Profit for the year	-	-	354	354
At 31 December 2011	<u>4,540</u>	<u>16,640</u>	<u>43,700</u>	<u>64,880</u>

8. RELATED PARTY TRANSACTIONS

At 31 December 2011, as identified in note 9, 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.

REUNION MINING LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2011**

9. 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.