

Company registration number: 5035666

Anglo Asian Operations Limited

Annual report and financial statements

31 December 2018



Anglo Asian Operations Limited

Annual report and financial statements for the year ended 31
December 2018

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Anglo Asian Operations Limited

Annual report and financial statements for the year ended 31
December 2018

Officers and professional advisers

Directors

Richard Round
John Suñunu

Secretary

William Morgan
7 Devonshire Square
Cutlers Gardens
London EC2M 4YH
United Kingdom

Registered office

7 Devonshire Square
Cutlers Gardens
London EC2M 4YH
United Kingdom

Auditor

Ernst & Young LLP
1 More London Place
London SE1 2AF
United Kingdom

Solicitors

Squire Patton Boggs (UK) LLP
7 Devonshire Square
Cutlers Gardens
London EC2M 4YH
United Kingdom

Anglo Asian Operations Limited

Annual report and financial statements for the year ended 31 December 2018

Strategic report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2018.

Principal activities and business review

The Company is an intermediate holding company within the Anglo Asian Mining PLC group of companies. The Company did not undertake any other activities or operations in the year.

Results for the year

The Company's loss for the year, after taxation, was £2,500 (2017: £2,500).

Principal risks and uncertainties

The Company is an intermediate group holding company and is not exposed to significant risks.

No key financial and other performance indicators have been identified for this company.

By order of the board of directors



Richard Round

Director
20 June 2019

Anglo Asian Operations Limited

Annual report and financial statements for the year ended 31 December 2018

Directors' report and statement of directors' responsibilities for the year ended 31 December 2018

Annual report and financial statements

The directors present their annual report together with the financial statements for the year ended 31 December 2018.

Dividends

No dividend was paid in the year (2017: nil).

Political donations

The Company made no political donations during the financial year ended 31 December 2018 (2017: nil).

The Directors and their interest in shares of the Company

The directors who served the Company during the year and up to the date of the financial statements are set out on page 2.

None of the directors had any interest in the shares of the Company during the year (2017: nil).

Directors' interests in the parent company's shares are disclosed in the annual report of Anglo Asian Mining PLC.

Directors' liabilities

At the date of signing these financial statements, the Company does not have any indemnity provisions to or in favour of one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006.

Directors' responsibilities statement

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.

Anglo Asian Operations Limited

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Directors' report and statement of directors' responsibilities for the year ended 31 December 2018 (continued)

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 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.

The directors confirm that they have complied with these requirements and, having a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in the financial statements.

Statement of going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Company is set out in the financial statements.

The directors consider it appropriate to prepare the financial statements on a going concern basis, since the parent undertaking has agreed to provide sufficient finance, whether directly or through one of its subsidiaries, to enable the Company to meet its liabilities as they fall due for the foreseeable future.

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

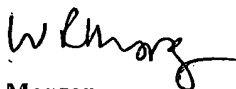
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's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

This confirmation is given and should be interpreted in accordance with the provisions of s418(2) of the Companies Act 2006.

Auditors

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the board of directors



William Morgan
7 Devonshire Square
Cutlers Gardens
London EC2M 4YH
United Kingdom

Secretary
20 June 2019

Registration Number: 5035666

Anglo Asian Operations Limited

Annual report and financial statements for the year ended 31 December 2018

Independent auditor's report

To the members of Anglo Asian Operations Limited

Opinion

We have audited the financial statements of Anglo Asian Operations Limited for the year ended 31 December 2018 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Anglo Asian Operations Limited

Annual report and financial statements for the year ended 31 December 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Anglo Asian Operations Limited

Annual report and financial statements for the year ended 31 December 2018

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

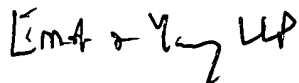
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Andrew Smyth (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
20 June 2019

Anglo Asian Operations Limited

Statement of comprehensive income year ended 31 December 2018

	Note	2018 £000	2017 £000
Turnover	3	-	-
Administrative expenses	4	(2)	(2)
Operating loss		<u>(2)</u>	<u>(2)</u>
Loss on ordinary activities before taxation		(2)	(2)
Tax on profit on ordinary activities	6	-	-
Loss for the financial year	4	<u>(2)</u>	<u>(2)</u>
Other comprehensive income			
Other comprehensive income / (loss) for the year, net of tax		-	-
Total comprehensive loss		<u>(2)</u>	<u>(2)</u>

All results were derived from continuing operations.

Anglo Asian Operations Limited

Balance sheet as at 31 December 2018

	Note	2018 £000	2017 £000
Non-current assets			
Investment in subsidiary undertakings	7	15	15
Debtors: amounts falling due after one year	8	1,764	1,764
		<hr/>	<hr/>
		1,779	1,779
Creditors: amounts falling due within one year	9	(1,292)	(1,290)
		<hr/>	<hr/>
Net assets		487	489
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	10	3	3
Share premium account		1,463	1,463
Retained earnings		(979)	(977)
		<hr/>	<hr/>
Total shareholders' funds		487	489
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 20 June 2019 and were signed on its behalf by:



Richard Round

Director

Anglo Asian Operations Limited

Statement of changes in equity for the year ended 31 December 2018

	Share capital £000	Share premium £000	Retained earnings £000	Shareholders' funds £000
1 January 2017	3	1,463	(975)	491
Total comprehensive loss for the year	-	-	(2)	(2)
31 December 2017	3	1,463	(977)	489
Total comprehensive loss for the year	-	-	(2)	(2)
31 December 2018	<u>3</u>	<u>1,463</u>	<u>(979)</u>	<u>487</u>

Anglo Asian Operations Limited

Notes to the financial statements For the year ended 31 December 2018

1. Basis of preparation

The financial statements are prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The financial statements of Anglo Asian Operations Limited for the year ended 31 December 2018 were authorised for issue by the board of directors on 20 June 2019 and the balance sheet was signed on the board's behalf by Richard Round.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

Accounting framework

The financial statements have been prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2018 under FRS 101. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures,
- (b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- (c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
- (d) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (e) the requirements of IAS 7 Statement of Cash Flows;
- (f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;

The Group applied IFRS 9 – 'Financial Instruments' and IFRS 15 – 'Revenue from contracts with customers' for the first time from 1 January 2018. These standards had no effect on the financial statements.

Segment reporting

The Company's activities consist of one class of business.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Anglo Asian Operations Limited

Notes to the financial statements For the year ended 31 December 2018

Deferred taxation is provided in full on timing differences that 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 the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currencies

The functional and presentation currency of the financial statements is United Kingdom Sterling. The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash. Any currency other than the functional currency of the Company is considered a foreign currency. Monetary assets and liabilities denominated in foreign currencies are translated to the measurement currency at the relevant rates of exchange prevailing at the balance sheet dates. Non-monetary assets and liabilities denominated in foreign currencies are recorded in the accompanying balance sheets using the historical exchange rates. Transactions denominated in foreign currencies are recorded at the exchange rates at the date of the transaction. Any gains or losses on assets and liabilities denominated in foreign currencies arising from a change in exchange rates after the date of the transaction are recognised as income or expense from other activities.

Investments

Fixed asset investments in subsidiaries, joint ventures and associates are held at cost. The company assesses investments for an impairment indicator annually. If any such indication of possible impairment exists, the company makes an estimate of the investment's recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

Where these circumstances have reversed the impairment previously made is reversed to the extent of the original cost of the investment.

Group accounts

The Company is exempt from the obligation to prepare and deliver group financial statements in accordance with Section 400 of the Companies Act 2006. It is included in the consolidated accounts of Anglo Asian Mining PLC, a company incorporated in England and Wales. The consolidated accounts of Anglo Asian Mining PLC can be obtained from the Company Secretary, 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH, United Kingdom and are available on the Group's web-site at www.angloasianmining.com. The financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

The directors consider it appropriate to prepare the financial statements on a going concern basis, since the parent undertaking has agreed to provide sufficient finance, whether directly or through one of its subsidiaries, to enable the Company to meet its liabilities as they fall due for the foreseeable future.

3. Turnover

The Company made no sales during the current or prior year.

4. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

Anglo Asian Operations Limited

Notes to the financial statements For the year ended 31 December 2018

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Auditor's remuneration	2	2

No amounts were payable for non-audit services by the Company as of each respective balance sheet date.

£2,500 was charged in 2018 (2017: £2,500) for the audit fee and this will be settled by other Group companies for and on behalf of Anglo Asian Operations Limited.

5. Staff costs

The Company did not have any employees during the year (2017: nil).

The Directors' remuneration for 2018 and 2017 was paid and recorded in the parent company, Anglo Asian Mining PLC. The directors received no amounts in respect of their duties in the Company. For remuneration of the directors of the group refer to Report of directors' remuneration on page 31 of the Annual Report of Anglo Asian Mining PLC for the year ended 31 December 2018.

6. Tax on profit on ordinary activities

There is no tax charge for the current period (2018: nil).

A full reconciliation between the expected rate of 19.25 per cent. (2017: 20 per cent.) and the current tax charge is set out below:

	Year ended 31 December 2018 £000	Year ended 31 December 2017 £000
Loss on ordinary activities before tax	(2)	(2)
Tax credit on loss on ordinary activities at standard UK corporation tax rate of 19.25 per cent. (2017: 20 per cent.)	(1)	(1)
Effects of: Unutilised tax losses	1	1
Current tax charge / (credit) for the year	-	-

A deferred tax asset has not been recognised in respect of timing difference relating to tax losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £138,000 (2017: £137,000). The asset would be recovered if sufficient taxable profits were generated in future periods.

Anglo Asian Operations Limited

Notes to the financial statements For the year ended 31 December 2018

7. Investment in subsidiary undertakings

The following investments were held by the Company.

Subsidiary

	31 December 2018 £000	31 December 2017 £000
Holance Holdings Limited	15	15

Anglo Asian Operations Limited owns 100 per cent. of the issued share capital of Holance Holdings Limited. The principal activity of Holance Holdings Limited is a holding company. The country of incorporation of Holance Holdings Limited is the British Virgin Islands.

8. Debtors: amounts falling due after one year

	31 December 2018 £000	31 December 2017 £000
Amounts owed by subsidiary undertakings	1,764	1,764

The Directors believe there is no expected credit loss from the amounts owed from subsidiary Undertaking.

9. Creditors: amounts falling due within one year

	31 December 2018 £000	31 December 2017 £000
Amounts owed to parent company	1,292	1,290

10. Called up share capital

	31 December 2018 £000	31 December 2017 £000
Authorised: 600,000 ordinary shares of 1p each	6	6
Called up, allotted and fully paid 307,666 ordinary shares of 1p each	3	3

Anglo Asian Operations Limited

Notes to the financial statements For the year ended 31 December 2018

11. Related party transactions

In accordance with FRS101.8 (k), the company is exempt from the requirement to disclose group related party transactions since the company is 100% controlled within the group and the group's financial statements of the company's ultimate parent undertaking Anglo Asian Mining PLC are publicly available.

12. Ultimate parent company

The ultimate parent company and ultimate controlling entity is Anglo Asian Mining PLC, a company incorporated in Great Britain and registered in England and Wales. The smallest and largest group that publishes consolidated accounts incorporating the results of the Company is Anglo Asian Mining PLC. Copies of the group accounts are available from the Company Secretary, 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH, United Kingdom or from the corporate web-site www.angloasianmining.com.